



Global Claims Intelligence 2026

Actionable Insights on Automotive
Market Dynamics and Repair Economics

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01

Executive Summary

The global automotive repair ecosystem is experiencing sustained increases in cost and complexity. Across mature and developing markets, aging vehicle fleets, rising technology intensity, labor constraints, and sustained parts inflation are increasingly embedded factors shaping claim severity, cost variability, and operational pressure. Global Claims Intelligence 2026 positions Solera as the data authority on these developments, drawing on proprietary claims and repair data across key regions, including the United States, Canada, Germany, Poland, Spain, the United Kingdom, Mexico, and Australia. By combining quantitative analysis with market-specific context, this report provides insight into how evolving market conditions are influencing repair economics and claims performance.



KEY GLOBAL INSIGHTS INCLUDE:

Aging fleets are now a significant severity multiplier. Vehicles are remaining in service longer across most markets, particularly in Spain, Poland, and Mexico. While older vehicles may be associated with lower per-claim costs, they can contribute to higher claim frequency, operational workload, and exposure over time.

Technology is increasing cost variability more than averages. Advanced driver assistance systems, electrification, and software-driven architectures are expanding diagnostic effort, calibration requirements, and labor dispersion. The result is greater variability in repair outcomes, even where average costs appear relatively stable.

Labor constraints are persistent rather than short-term. Persistent shortages of skilled technicians — especially in North America and parts of Europe — are contributing to longer repair times and increased labor-driven cost pressure. Labor hours increasingly reflect not only repair effort, but also system complexity and workforce readiness.

Repairability varies considerably by region. Repair-versus-replace outcomes differ significantly across market, reflecting differences in regulatory frameworks, labor economics, and insurer practices rather than vehicle design alone. Similar vehicles can exhibit markedly different repair behaviors across regions.

Parts remain the dominant contributor to claim costs. Parts represent a substantial share of total claim severity across many markets. Inflationary pressure, supply-chain risk, and parts dependency continue to outweigh labor as leading contributors to cost exposure, reinforcing the importance of proactive parts strategies.

What this means for decision-makers

Managing claims and repair performance in this environment increasingly requires moving beyond global averages and historical benchmarks. Cost control, predictability, and customer outcomes are influenced by region-specific, age-aware, and technology-sensitive strategies that reflect how complexity is absorbed locally.

As the largest data and technology provider in the automotive lifecycle, with operations in more than 100 countries, Solera brings a uniquely global perspective to these dynamics. This analysis draws on detailed insights from a selected group of markets, offering a robust and representative view of how repair complexity is evolving.

By leveraging standardized, high-granularity global data, stakeholders across the automotive ecosystem — including insurers, repair networks, manufacturers, and service providers — can better anticipate cost drivers, manage variability, and align operational decisions with the new realities shaping repair economics in 2026 and beyond.



02

Automotive Market Outlook & Key Trends

Patterns Shaping the Vehicle Landscape

The automotive landscape in 2025 is marked by a diverse distribution of vehicle types across global markets, reflecting varying regional preferences and economic conditions. While internal combustion engine (ICE) vehicles continue to hold a significant presence, there is a notable shift toward hybrid and electric vehicles across select global markets. This transition is influenced by regulatory pressures, advancements in technology, and increasing consumer interest in more sustainable mobility options. As hybrid and electric vehicles gain traction, they are reshaping market dynamics and encouraging manufacturers to innovate in response to evolving consumer attitudes and environmental concerns.



To begin our exploration of vehicle distribution, it’s essential to analyze the dominant brands across different regions. Understanding the current landscape of vehicle manufacturers provides valuable insights into market dynamics and consumer preferences. In North America, six manufacturers account for approximately 55% of the total light vehicle sales (Toyota, Nissan, Hyundai, Honda, Ford, and Chevrolet) reflecting a concentrated competitive landscape. This concentration of market share underscores the significant influence these manufacturers have on consumer choices and competitive strategies. Figure 1 normalizes this Top-6 group to 100%, illustrating how sales are distributed within this dominant portion of the markets (Canada, Mexico and the United States), rather than across the full market, highlighting the competitive landscape in these critical markets and the distribution of car sales represented by these six companies.

Figure 1:
Vehicle Sales Distribution within Top 6 Manufacturers for Light Vehicle Sales (CY2025 Actuals)
(Canada, Mexico and the United States)

Chevrolet	19.8%
Ford	22.2%
Honda	13.6%
Hyundai	10.1%
Nissan	11.4%
Toyota	22.9%

Source: Solera; S&P Global Mobility (IHS)

Within the Top-6 segment shown in Figure 1, Toyota is projected to hold the largest share at 22.9%, followed closely by Ford at 22.2%, reflecting consistent sales performance for these brands across the three markets (Figure 1). Toyota’s strong sales performance is often associated with its early hybrid investments, portfolio breadth, and emphasis on reliability and fuel efficiency — attributes that continue to align strongly with consumer priorities across markets [2]. Ford, as a long-established American brand, maintains a significant sales presence in North America and continues to expand and refresh its electrified lineup, alongside its established sales and service footprint. Dealer and service network coverage is often regarded as a contributing factor in customer access and convenience.

Chevrolet holds a significant position as well, capturing 19.8% of the sales volume, while Honda accounts for 13.6%, reflecting its established presence among consumers. Meanwhile, Nissan and Hyundai contribute to the competitive dynamics with shares of 11.4% and 10.1%, respectively (Figure 1). The distribution shown is consistent with a mature competitive landscape shaped by multiple factors, including brand positioning and product mix. It also underscores the presence of varying brand strengths within this competitive landscape, emphasizing the importance for manufacturers of aligning brand and portfolio strategies with market-specific dynamics to address diverse consumer demands.

In the European automotive market, specially in the selected markets (Germany, Poland, Spain, and the United Kingdom) a closer examination of the sales figures for 2025 reveals that six manufacturers – BMW, Ford, Mercedes Benz, Škoda, Toyota, and Volkswagen – collectively represent a significant share, accounting for approximately 44% of the total light vehicle sales. To better understand the structure of this concentrated segment, the Figure 2 normalizes the Top-6 to 100% to show the split within this group, highlighting their relative positions within this dominant share of the market.

Figure 2:
Vehicle Sales Distribution within Top 6 Manufacturers for Light Vehicle Sales (CY2025 Actuals)
(Germany, Poland, Spain and the United Kingdom)

BMW	13.9%
Ford	14.9%
Mercedes-Benz	16.2%
Škoda	12.7%
Toyota	12.8%
Volkswagen	29.5%

Source: Solera; S&P Global Mobility (IHS)

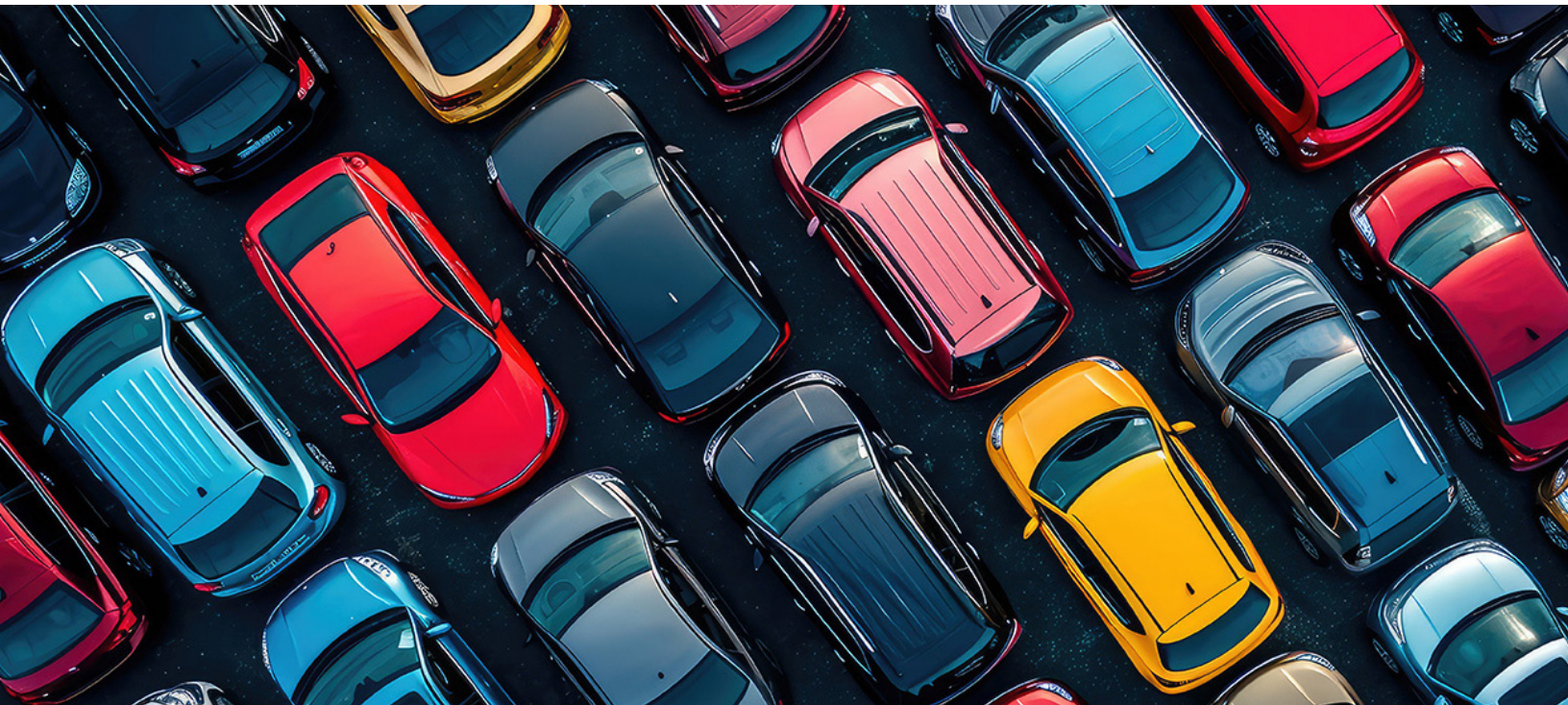
Within this group, Volkswagen holds the largest share among the six manufacturers analyzed with a 29.5% share within the Top 6 distribution (Figure 2), significantly outpacing its competitors. The competitive dynamics differ between these selected European markets and North America (Figures 1–2), where Ford and Toyota lead with shares around 22.2% and 22.9%, respectively (Figure 1). The concentration of market power among these six brands in Europe underscores the competitive dynamics and consumer preferences that illustrate the region’s competitive landscape.

Volkswagen maintains a long-standing presence in Europe, supported by a broad and diversified product portfolio that spans multiple regional segments. In response to evolving market conditions, the company has progressively expanded its electric vehicle offerings within its European strategy.

Following Volkswagen, Mercedes-Benz holds a significant market share of 16.2% (Figure 2) in the European automotive landscape, supported by its positioning in the premium and luxury segments [3]. The company's diverse product range, which includes everything from compact cars to premium SUVs and electric vehicles, addresses varied consumer expectations. Additionally, Mercedes-Benz's investment in electric mobility and autonomous driving technology may support its positioning as the market continues to evolve.

Ford follows closely with a 14.9% share (Figure 2), bolstered by its established presence in key segments such as SUVs. Ford is known for delivering vehicles that combine quality and affordability, making it a popular choice among cost-conscious consumers [4]. Furthermore, Ford's electric-vehicle sales momentum, supported by the continued performance of models such as the Mustang Mach-E, has been reflected in higher EV sales volumes, indicating increasing traction within electrified vehicle segments [5].

Positioned next is BMW at 13.9% (Figure 2). The brand emphasizes luxury and cutting-edge technology, particularly in its electric offerings, ensuring its relevance in an evolving market [3]. Škoda and Toyota, each holding around 12.7% and 12.8% respectively, exemplify value-driven strategies (Figure 2). Škoda has been recognized for its strong value-for-money proposition and practicality, reinforcing its positioning in market competitiveness [6]. Meanwhile, Toyota's longstanding reputation for reliability and leadership in hybrid technology positions it favorably, appealing to eco-conscious consumers [2]. Together, these manufacturers illustrate the diverse strategies and market dynamics that characterize the European automotive industry.



Finally, the Asia-Pacific region presents a distinct yet highly concentrated market structure. Focusing on Australia as a representative case, an analysis of vehicle sales distribution in 2025 reveals a pronounced concentration among the leading manufacturers. Similar to patterns observed in Europe and North America, market share is dominated by a limited number of key players. Toyota, Ford, Mazda, Kia, Hyundai, and Mitsubishi collectively account for approximately 51.3% of total light vehicle sales, underscoring the high level of brand concentration and the relatively consolidated nature of the Australian automotive market. Figure 3 below illustrates how sales are distributed within this group of leading manufacturers, emphasizing the comparative size of each brand within this focused market segment.

Figure 3:
Vehicle Sales Distribution within Top 6 Manufacturers for Light Vehicle Sales (CY2025 Actuals)
(Australia)

Mitsubishi	9.5%
Hyundai	11.6%
Kia	12.9%
Mazda	13.9%
Ford	13.9%
Toyota	38.2%

Source: Solera; S&P Global Mobility (IHS)

Toyota holds the largest share at 38.2% (Figure 3), demonstrating a significant presence in the market. Toyota’s extensive model range is designed to serve a broad spectrum of vehicle use requirements across both consumer and commercial segments. The brand’s sustained investment in hybrid technology, combined with a strong reputation for reliability, underpins its positioning within the Australian market.

Following Toyota, Ford, Mazda, and Kia each hold a 13.9%, 13.9%, and 12.9% share, respectively (Figure 3). Ford’s established brand heritage contributes to sustained positioning in the Australian market, aligning with the continued importance of utility vehicles across local use cases. The company’s ongoing investment in electric vehicle technology, such as the Ford Mustang Mach-E, signals its responsiveness to evolving consumer preferences toward sustainability [5].

Mazda maintains a visible presence in the market, often positioned around design and performance. Kia has also established a growing presence, supported by value-oriented positioning and an emphasis on contemporary features.

Hyundai captures an 11.6% market share (Figure 3), reflecting its positioning around value, quality, and affordability. The brand's diverse lineup, spanning compact vehicles through to SUVs, aligns with a broad spectrum of consumer preferences.

Finally, Mitsubishi rounds out the top six with a 9.5% share (Figure 3). The brand is commonly associated with SUVs and all-wheel-drive vehicles, reflecting an emphasis on utility-oriented and off-road use cases.

This distribution of vehicle sales highlights the diversity of consumer priorities within the Australian market, including value orientation, reliability considerations, and growing interest in advanced vehicle technologies. As the competitive landscape intensifies and sustainability considerations gain prominence, manufacturers are continuing to recalibrate their strategies. Toyota's strong presence underscores its sustained role within the Australian market, alongside ongoing portfolio evolution among competing manufacturers.



From insights to action

As the automotive market evolves, the increasing exposure insurers and repair facilities face is increasingly associated with factors such as aging fleets, shifting propulsion mixes, and rising vehicle complexity. The data highlights the need for proactive operational and analytical responses to manage cost volatility, repair performance, and customer expectations across regions.

KEY ACTIONS TO CONSIDER INCLUDE:

Reposition portfolio and brand strategies by region: Across the ecosystem, different approaches are being considered to address the balance of technology adoption, affordability, and repairability. Align brand positioning around total cost of ownership, durability, and service confidence as vehicles move beyond warranty and aging fleets dominate claims volume.

Anticipate lifecycle cost exposure earlier: Incorporate repair severity, parts dependency, and post-warranty behavior into product, pricing, and market strategies to sustain brand relevance in cost-sensitive and aging-fleet markets.

Evolve commercial and aftersales models: Strengthen alignment between sales and aftersales by clearly communicating maintenance pathways, repair implications, and long-term ownership costs across ICE, hybrid, and EV platforms.

Strengthen risk and severity modeling: Use vehicle age, technology mix, and regional repair trends to improve pricing accuracy, service offerings, and predictability of downstream cost exposure.

Optimize repair strategies by vehicle type and age: Differentiate repair approaches for older vehicles versus newer, technology-dense models to improve efficiency, control costs, and align repair scope with vehicle value.

Prepare for ongoing market fragmentation: Align skills, tooling, and parts strategies with the dominant vehicle mix in each market, using data to anticipate labor intensity, parts usage, and cost variability as complexity increases.

These priorities can support efforts on automotive ecosystem stakeholders to navigate volatility and manage rising repair costs, and deliver more consistent outcomes in an environment defined by structural change. Those who align data, operations, and collaboration will be best positioned to manage risk and sustain performance as the automotive landscape continues to evolve.



03

Consumer-Focused Brand Strategies

Brand Strategies Driven by Consumer Choice

Understanding consumer decision-making helps contextualize how markets evolve and why brand performance differs across regions. Market-share movements are often associated with evolving consumer evaluation criteria. In the next chapter, four structural pillars will be explained that influence how consumers refine their mental shortlists and, in turn, affect how brands either gain or lose relevance within a particular market.

THE FOUR CONSUMER DECISION PILLARS



Brand Perception

Pre-existing brand perceptions often play a role early in the vehicle selection process [7]. These perceptions are shaped over time by factors such as perceived reliability, durability, after-sales experience, and the symbolic or emotional meaning associated with a brand. Manufacturers that do not feature within this initial mental shortlist are less likely to be actively considered, regardless of the objective merits of their product offering.



Local Market Preferences

Brand acceptance can vary across regions, shaped by local identity and familiarity. Historical presence, cultural affinity, and perceived expertise contribute to how brands are evaluated in different markets. As a result, the same brand can experience materially different levels of consideration and acceptance depending on local expectations and market norms.



Propulsion Strategy

Choices around gasoline, diesel, hybrid or electric reflect not only technical preference but infrastructure maturity, regulatory pressure, perceived risk, and total cost of ownership. When consumers consider switching propulsion types, they may reassess brand choices.



Economic Accessibility

Affordability and financing conditions influence whether a brand is realistically considered. Even a brand with strong equity loses ground when misaligned with local purchasing power or value expectations.

Together, these four pillars can be seen as a useful framework for understanding how consumers tend to narrow down their choices. These factors help contextualize differences in brand outcomes across markets.

This framework connects directly with the behavioral patterns observed in the following sections, such as fuel type preferences—reflecting technical and infrastructural drivers—and the economic factors that define affordability, taxation, regulatory context and cultural attitudes toward vehicle ownership.



Brand Perception

Brand perception captures what buyers believe a brand delivers: trust, quality, useful innovation and a reliable ownership experience. Research on brand equity highlights the importance of shaping these perceptions early in the consumer's mind, as initial impressions influence how brands are evaluated and become an integral part of the purchasing decision process [8].

Reliability and Product Quality:

Reliability remains a core anchor of brand credibility, particularly where buyers prioritize predictable cost of ownership outcomes and lower cost exposure [9] [1]. Across North America, Japanese brands are frequently linked to dependability, supporting positive ownership expectations [1]. In Europe, perceived quality and engineering heritage also influence brand trust. Though purchase outcomes still reflect additional factors such as pricing, availability, and local market preferences [3].

Technology Leadership with Practical Value:

The role of technology in brand perception is most evident when it is associated with clear, practical benefits in everyday use. In Europe, advanced safety and engineering support the status of German manufacturers, while electrification opens the door to new entrants positioned as EV specialists when incentives and support are present [11]. In markets like Mexico and Poland, where cost sensitivity is a deciding factor, innovation gains traction only when it guarantees predictable ownership and maintenance costs.

Ownership Experience and Service Confidence:

Perception is reinforced or eroded by what happens after purchase. Dealer interactions, clarity of warranties, parts availability and speed of repair shape confidence in the brand. In markets with higher labor rates, such as the United States and the United Kingdom, service speed and cost are more visible components of the ownership experience [12] [13], while in markets such as Spain, Poland and Germany, repair execution is generally characterized by structured processes and mature service networks. In Australia, consumers tend to factor aftersales considerations, including service availability and repair predictability, into their brand evaluation.

Identity Fit and Local Relevance:

Differences in consumer preferences across markets highlight the importance of brand identity feeling relevant in everyday use [14]. Regional vehicle mix differs: European markets include a higher share of smaller segments, while North America has a higher share of SUVs and pickups. In Mexico, vehicle purchase decisions are commonly associated with considerations around durability and long-term operating costs.



Local Market Preferences

Local market preferences shape how consumers evaluate brands, together with price and technology considerations. Identity, familiarity and perceived expertise create distinct acceptance patterns across countries, explaining why the same brand can perform differently depending on local expectations and market dynamics.

Domestic Brand Advantage:

In markets with strong automotive heritage, long-established manufacturers tend to retain high levels of consumer trust. This pattern is reflected in the sustained consumer trust observed for German premium brands such as Mercedes-Benz and BMW, which are consistently rated among the most trusted brands across global markets [3]. The United Kingdom shows a similar pattern, with established European brands and Ford maintaining strong traction [15]. In the United States, domestic manufacturers, including Ford, maintain strong consumer recognition supported by long-established market presence.

Country-of-Origin Heuristics:

Consumers often associate certain countries of origin with attributes such as reliability, engineering, value, or electrification. In the United States, Japanese brands are consistently associated with reliability and long-term durability [1]. German brands are widely associated with engineering excellence and premium quality, enjoying high levels of consumer trust across core international markets, including Germany, the United Kingdom and the United States [3]. Korean automotive manufacturers have established a visible presence in several international markets, with product portfolios typically emphasizing affordability and practical value. Chinese brands are emerging as key electrification players, scaling their presence in Europe, particularly within electrified vehicle segments [16].

Propulsion Fit and Technology Acceptance:

Brand acceptance strengthens when a brand's propulsion offering aligns with what each market considers the most suitable technology. In North America, gasoline remains the familiar choice, supporting continued relevance of ICE portfolios. In Europe, especially in Germany, Spain and Poland, long-standing exposure to diesel and increasing policy and market support for electrified options are associated with higher hybrid and EV uptake. In Mexico, cost sensitivity and limited charging infrastructure are associated with a continued preference for proven combustion technologies.

Usage Environment and Mobility Patterns:

Local driving conditions influence which vehicle formats are perceived as practical. In Europe, dense urban areas make compact and efficient models the preferred choice. In contrast, the United States and Canada maintain high demand for SUVs and pickups due to larger suburban environments and longer travel distances. Mexico shows a mixed pattern: cities favor agility and efficiency, while intercity travel reinforces the appeal of more spacious and durable vehicles. Australian mobility and consumer studies consistently show that long travel distances, mixed urban–regional usage, and cost-of-ownership considerations play a central role in shaping vehicle choice and brand perception [14] [17] [18].



Propulsion Strategy

Propulsion type preferences across regions provide insight into consumer choices and the evolving automotive landscape. Analysis of Solera global data indicates a distinct pattern in fuel-type distribution, reflecting a combination of economic conditions, regulatory frameworks, and market availability.

Gasoline Dominance:

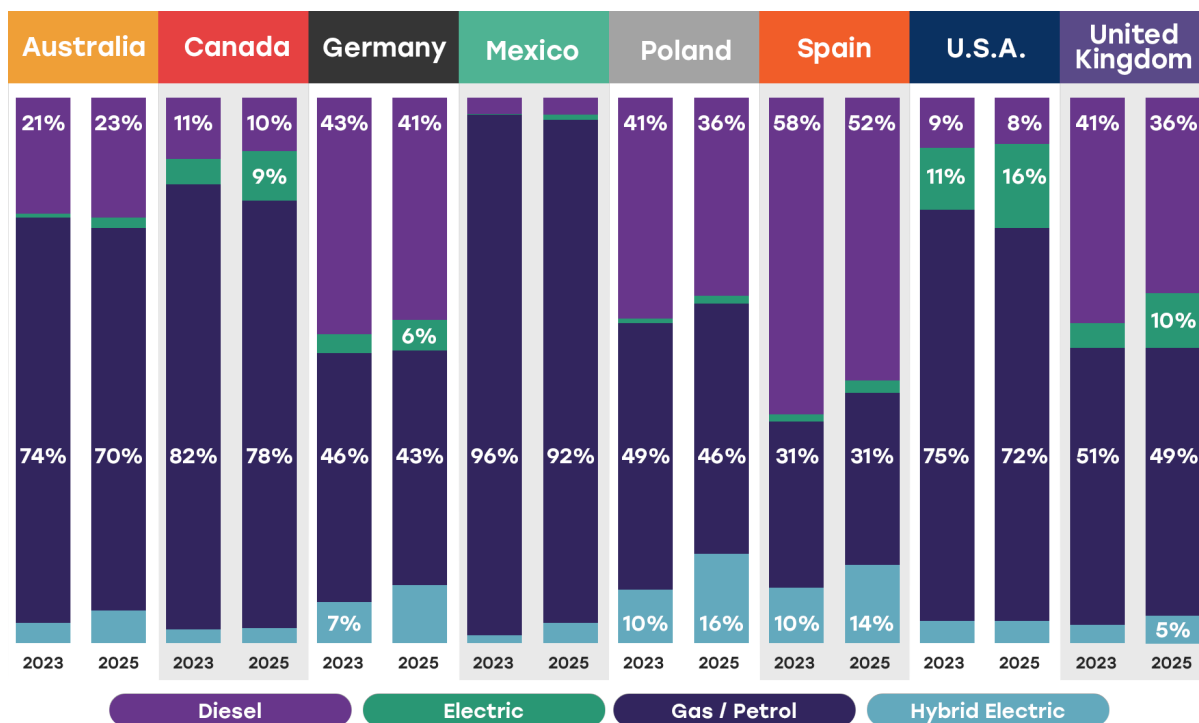
In North America, gasoline vehicles continue to represent the largest share of the vehicle parc (Figure 4). In Canada, internal-combustion-engine (ICE) vehicles accounted for 82% of claims in 2023, declining modestly to 79% in 2025. Similarly, in the United States, ICE vehicles represented 75% of claims in 2023, decreasing to 72% by 2025. This sustained preference for gasoline coincides with lower fuel taxes and relatively stable fuel affordability, particularly when compared to European markets. Mexico follows a similar pattern, with gasoline vehicles comprising approximately 92% of the market in 2025. In Australia, ICE vehicles also account for a majority of claims, representing 74% in 2023 and decreasing slightly to 70% by 2025. This trend reflects similar economic considerations and consumer preferences across these markets (Figure 4).

European Preference for Diesel:

In contrast, European countries such as Germany, Poland, and Spain show a comparatively higher share of diesel-based ICE vehicles, although this share is gradually declining (Figure 4). In Germany, diesel vehicles accounted for 46% of claims in 2023, decreasing to 43% in 2025. Poland shows a notable diesel presence at 36% in 2025, while Spain reports diesel vehicles accounting for approximately 52% of claims (Figure 4). Diesel vehicles have historically maintained a strong position in parts of Europe within regulatory and pricing environment that favored diesel usage, although evolving considerations may influence future adoption patterns.

Figure 4:

Fuel Type of Vehicles with Claims CY 2023 and 2025 – Passenger Car Only
(Australia, Canada, Germany, Mexico, Poland, Spain, USA, United Kingdom)



Source: Solera

Hybrid evolution:

Hybrid vehicles are gaining traction across multiple markets, reflecting their ability to combine conventional gasoline engines with electric technology. In Canada, hybrid vehicles represented approximately 7% of the Solera market claims in 2023, increasing to around 10% in 2025. In the United States, hybrid penetration increased from 15% to 16% over the same period. Growth in hybrid adoption is consistent with demand for improved fuel efficiency across markets. Australia shows a similar trend, with hybrids increasing from 6% of claims in 2023 to 10% by 2025. In Europe, hybrid growth is more pronounced in certain markets, including Spain (from 10% to 15%) and Poland (from 10% to 16%) over the same period (Figure 4).

Electric Vehicle Adoption:

Electric Vehicle (EV) adoption continues to expand, particularly in regions with supportive government policy environments. In Canada, EV share increased from approximately 4% in 2023 to 9% in 2025. In the United States, EV penetration rose from 11% to 15% over the same period, reflecting growing consumer interest alongside incentive programs. Australia also shows growth, with EV share increasing from 6% in 2023 to 10% by 2025. The United Kingdom exhibits a similar upward trend, with EVs increasing from around 3% in 2023 to approximately 10% of the passenger-vehicle claims in 2025. However, EV adoption remains more limited in markets such as Spain and Poland, where growth remains close to 2%, reflecting factors such as charging-infrastructure availability and incentive structures (Figure 4).

Regional Variations:

The data highlights regional differences in propulsion-type distribution (Figure 4). In Mexico, ICE vehicles remain predominant, influenced by limited diesel and electric availability and established consumer usage patterns. By contrast, markets such as Germany show increasing EV adoption, shaped by emissions regulations and incentives for lower-emissions technologies — trends that are less pronounced in markets such as Poland and Spain.



Examining fuel-type distribution for vehicles with claims in 2023 and 2025 indicates that propulsion-mix shifts are underway, particularly with respect to EV adoption. These changes reflect a combination of consumer preferences, incentive structures, OEM production strategies and evolving regulatory requirements, which have influenced the relative availability of ICE vehicles across markets.

Consumer behavior also varies significantly at regional and local levels, influenced by factors such as urban versus rural geography, demographics, climate, and charging-infrastructure availability. Urban areas typically exhibit higher EV penetration due to improved charging access, while rural regions often show slower adoption tied to infrastructure limitations and continued reliance on conventional propulsion types.

In summary, differences in propulsion-type distribution across regions underscore the complex interaction of consumer preferences, regulatory environments, and infrastructure conditions shaping vehicle adoption patterns globally.



Economic Accessibility

Economic conditions significantly influence consumer preferences and vehicle choices across regions. Several key factors contribute to these dynamics:

Taxation and Fuel Pricing:

Fuel pricing and taxation form an important part of the economic context in which vehicle choices are made. In Europe, diesel has historically benefited from lower taxation, supporting its cost competitiveness [19]. In countries like Spain and Poland, diesel vehicles account for a significant portion of the market, supported by favorable pricing structures. In contrast, North America's lower fuel taxes on gasoline contribute to its continued dominance, as consumers find gasoline vehicles more affordable to operate. In Australia, gasoline prices are relatively stable, but fluctuations can affect consumer decisions. Understanding local fuel pricing trends can help manufacturers tailor their offerings to consumer preferences.

Purchase Incentives and Financial Support:

In many markets, financial incentives play a central role in supporting consumer adoption of cleaner vehicles. These measures, such as tax reductions, subsidies, and fee exemptions, are largely a response to increasingly strict emissions regulations that push governments to make low-emission technologies more affordable [20]. Countries like Germany and the U.K. exemplify this dynamic: regulatory pressure creates the need for incentives, and these incentives reduce upfront costs and can improve total cost of ownership. As a result, affordability rises, making greener vehicles more attractive, especially in cities with tougher standards. Australia is beginning to adopt similar approaches, with some states offering incentives for electric vehicles. Stakeholders should advocate for and leverage these incentives to promote cleaner vehicle options.

Economic Stability and Consumer Confidence:

Economic stability and consumer confidence directly impact vehicle purchases. In regions experiencing economic growth, consumers are more likely to invest in new vehicles, often choosing models that fit their lifestyles and budget constraints. Conversely, in areas facing economic uncertainty, consumers may lean towards more affordable options or delay purchasing new vehicles altogether. Vehicle age will be analyzed in the next section.

Maintenance and Repair Cost Expectations:

Expected maintenance and repair costs play a significant economic role in shaping consumer choices across all analyzed markets. In countries such as the United States and the United Kingdom, higher labor rates add economic considerations for consumers when considering vehicles with advanced technologies unless the long-term costs are predictable. In Spain and Poland, where household budgets are more sensitive, buyers often prefer ICE propulsion types perceived as easier and cheaper to maintain. Meanwhile, in Mexico, repair affordability is a decisive factor due to the strong reliance on vehicle longevity. As a result, expectations around repair exposure and maintenance costs strongly influence perceived economic viability and help define which vehicles consumers ultimately select. In Australia, consumers also value reliability and low maintenance costs, so manufacturers could emphasize these factors in their marketing strategies.



In summary, consumer preferences for fuel types and the economic factors influencing vehicle choices are deeply interconnected. Understanding these dynamics is crucial for stakeholders aiming to navigate the complexities of the automotive market and align their strategies with consumer demands and regional trends.

From insights to action

Understanding how consumers evaluate brands—through perception, local relevance, propulsion choices, and economic accessibility—has implications that extend well beyond vehicle sales. These decision filters increasingly shape downstream outcomes across the automotive ecosystem, influencing repair demand, cost sensitivity, service expectations, and long-term vehicle retention.

KEY ACTIONS TO CONSIDER INCLUDE:

Align Operational Strategies with Consumer Value Signals: As consumers increasingly prioritize reliability, predictable ownership costs, and service confidence, stakeholders should ensure that operational decisions reinforce these value signals. Consistency in repair quality, cost transparency, and outcome predictability play a growing role in sustaining trust throughout the vehicle lifecycle.

Adapt Approaches to Local Market Preferences: Consumer expectations vary significantly by region, shaped by usage patterns, economic conditions, and mobility needs. Tailoring operational models to reflect local preferences—such as durability, affordability, or efficiency—can improve relevance and performance across diverse markets.

Prepare for Shifts in Propulsion-Driven Behavior: Changes in propulsion mix influence not only vehicle choice but also consumer expectations around maintenance, repair complexity, and cost exposure. Stakeholders should proactively adapt capabilities, processes, and decision frameworks to accommodate evolving technology adoption while managing perceived risk for end customers.

Reinforce Economic Accessibility Across the Ownership Journey: Affordability considerations extend beyond the point of purchase. Managing repair costs, labor intensity, and parts strategies in line with consumer sensitivity to total cost of ownership can materially impact satisfaction and long-term engagement, particularly in cost-constrained markets.

Leverage Data to Anticipate Behavioral Shifts: Consumer decision drivers are dynamic. Using data to monitor changes in brand trust, technology acceptance, and economic pressure enables earlier identification of emerging trends and supports more informed operational planning across regions and vehicle segments.

Strengthen Experience Consistency Across Touchpoints: As ownership experience increasingly influences brand perception, ensuring alignment across customer interactions—estimation accuracy, repair timelines, communication clarity, and final outcomes—becomes critical. Consistency across touchpoints reinforces confidence and reduces friction throughout the lifecycle.

By translating consumer decision drivers into aligned operational priorities, automotive ecosystem stakeholders can better anticipate demand patterns, manage complexity, and deliver outcomes that resonate with evolving consumer expectations. Those who integrate behavioral insight with execution will be best positioned to remain resilient and relevant in a market increasingly shaped by consumer-led dynamics.



04

Aging Vehicles & Claims Trends

How Older Vehicles Shift Claim Dynamics

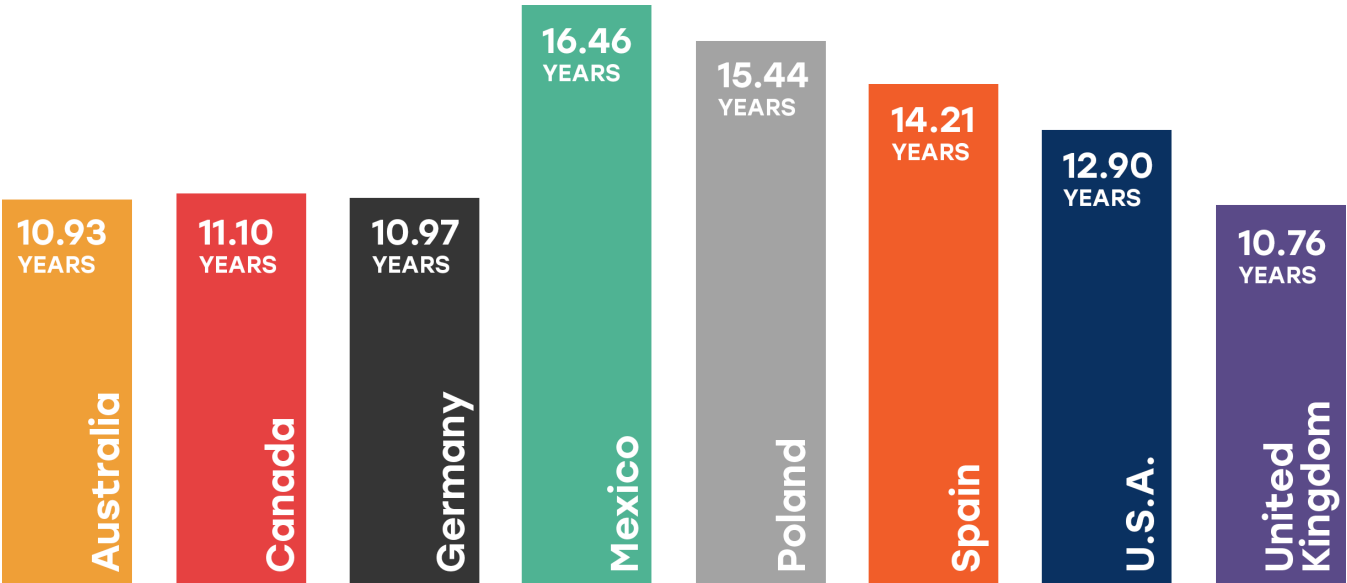
The evolution of claim costs in vehicle repairs is shaped by a combination of factors, including vehicle type, age, and regional economic conditions. Different vehicle categories—such as passenger cars, light commercial vehicles, and trucks—tend to display distinct repair cost characteristics, reflecting differences in design, usage patterns, and repair requirements. Vehicle age introduces additional variability into claims behavior. As vehicles remain in service longer, repair frequency, parts usage, and labor requirements may change, with outcomes differing by market and vehicle segment. In some regions, older vehicles can be associated with higher operational effort, depending on local labor conditions, repair standards, and parts availability. The following analysis examines these dynamics using market-specific data to illustrate how vehicle age interacts with regional conditions to shape claim behavior and cost outcomes.

Aging Vehicles: Trends and Insights Across Key Markets

Beyond overall market and consumer trends, vehicle age adds an additional dimension to claims behavior and repair outcomes across regions. Differences in vehicle age at the time of a claim interact with local economic conditions, repair practices, and mobility patterns, shaping repair frequency, cost exposure, and operational complexity.

The following analysis explores how vehicle age profiles vary across key markets and how these differences are reflected in claims dynamics.

Figure 5:
Average Vehicle Age Across Key Markets CY2024



Source: Solera; S&P Global Mobility (IHS)

North America

In Canada and the United States, average vehicle age remains lower than in markets such as Mexico and parts of Europe, with Canada and the United States both below the mid-teens range (Figure 5).

This pattern is commonly associated with factors such as higher vehicle turnover, broader access to financing, and consumer preference for newer models. These characteristics contribute to a fleet profile in which newer vehicles represent a larger share of claims, shaping observed repair and cost patterns.



Europe

Vehicle age profiles across European markets display meaningful variation, reflecting differences in economic conditions, ownership patterns, and access to new vehicles. While some similarities can be observed in North America—particularly in markets with relatively younger fleets—the European landscape is more heterogeneous, with notable contrasts between Western, Southern, and Eastern Europe.

In Germany and the United Kingdom, average vehicle age remains comparatively lower than in markets such as Spain and Poland (Figure 5). This profile shares certain characteristics with Canada and the United States, where higher vehicle turnover is commonly associated with access to financing, consumer demand for newer technology, and the availability of a broad new-vehicle offering. In Germany and the U.K., interest in advanced safety features, efficiency improvements, and evolving emissions standards contributes to steady fleet renewal, while ownership behavior continues to balance renewal with an emphasis on build quality and vehicle durability.

At the same time, European markets differ from North America in important respects. Incentives for fleet renewal are more limited in several countries, and strong second-hand markets play a larger role in extending vehicle lifecycles. As a result, vehicles often remain in service longer even in higher-income markets, contributing to more moderate—but still extended—ownership periods compared with North America.

By contrast, Spain and Poland exhibit higher average vehicle ages (Figure 5), reflecting a combination of economic constraints, affordability considerations, and strong demand for used vehicles. In these markets, limited access to new vehicles, fewer renewal incentives, and greater price sensitivity encourage longer vehicle retention. Older vehicles therefore represent a larger share of the active fleet, influencing repair demand, parts usage, and service activity over time.

The following sections explore how these differences in vehicle age distribution are reflected in claims behavior, repair frequency, and cost outcomes across European markets, using market-specific data to illustrate regional variation.

Latin America

Vehicle age profiles in Latin America reflect distinct economic and market conditions compared with North America and Europe. Mexico, in particular, stands out with a significantly higher average vehicle age (Figure 5), indicating longer vehicle retention across the active fleet. This profile reflects a combination of affordability constraints, limited access to new vehicles, and more restricted financing options relative to higher-income markets.

In this context, vehicle ownership patterns tend to prioritize durability and extended use rather than frequent replacement. While extended vehicle lifecycles can be associated with higher repair frequency over time, repair decisions are often influenced by cost sensitivity and practical considerations, including parts availability and repair affordability.

Compared with Canada and the United States, where higher turnover results in a younger claims mix, Mexico's aging fleet highlights how economic accessibility and ownership duration interact to produce structurally different claims dynamics. These differences underscore the importance of assessing vehicle age effects within the context of local market conditions rather than as a uniform global trend.

Australia

Australia presents a more moderate vehicle age profile relative to Latin America, with an average age that sits between younger North American fleets and older markets such as Mexico and parts of Europe (Figure 5). This suggests a balance between new vehicle purchases and the retention of older models across the parc.

Australian consumers generally benefit from access to a broad vehicle offering and established financing options, supporting steady fleet renewal. At the same time, geographic factors, usage patterns, and cost-of-ownership considerations contribute to longer retention for certain vehicle segments. As a result, vehicles across a wider age range remain active within the claims population.

This balanced age distribution shapes repair demand in distinct ways, combining characteristics seen in both higher-turnover and higher-retention markets. The Australian market therefore provides a useful reference point for understanding how vehicle age interacts with mobility patterns, service infrastructure, and economic conditions to influence claims behavior.

From insights to action

As vehicle lifecycles extend across markets, an aging vehicle parc is increasingly associated with changes in claims behavior, repair decisions, and cost outcomes. Differences in vehicle age at time of claim, combined with regional economic conditions and repair practices, are reshaping exposure, operational complexity, and customer expectations throughout the automotive ecosystem.

KEY ACTIONS TO CONSIDER INCLUDE:

Incorporate Vehicle Age as a Core Decision Variable: Operational and analytical frameworks should explicitly account for vehicle age, recognizing its influence on claim frequency, repairability, and cost severity. Differentiating strategies by age segment supports more accurate decision-making and better alignment with real-world repair outcomes.

Adapt Repair and Cost Management Strategies for Older Vehicles: As older vehicles represent a growing share of claims in several markets, stakeholders should optimize approaches for parts selection, labor intensity, and repair versus replace decisions. Tailoring processes to aging vehicle profiles can improve efficiency while controlling escalating cost pressures.

Anticipate Regional Differences in Aging Fleet Behavior: Vehicle age interacts strongly with local economic conditions, labor markets, and consumer expectations. Adjusting operational models to reflect regional age distributions and repair practices enables more consistent performance across diverse markets.

Balance Repair Investment with Economic Viability: Older vehicles often require more frequent repairs, but with different cost dynamics than newer, technology-heavy models. Aligning repair scope and cost management with vehicle value and consumer affordability expectations helps ensure sustainable outcomes throughout the lifecycle.

Leverage Data to Identify Emerging Age-Driven Trends: Continuous monitoring of age-at-claim distributions, repair costs, and repairability ratios enables earlier detection of structural shifts. Data-driven insight supports proactive planning as fleets continue to age and ownership patterns evolve.

Strengthen Communication Around Aging-Related Repair Outcomes: As vehicle age increasingly shapes repair duration, scope, and cost, clear communication around expectations becomes critical. Transparent engagement helps manage variability and reinforces confidence throughout the repair and claims journey.

By proactively responding to the implications of aging fleets, automotive ecosystem stakeholders can better manage rising exposure, improve operational resilience, and deliver outcomes aligned with evolving vehicle lifecycles. Integrating vehicle age into strategic and operational planning will be essential as aging trends continue to redefine claims and repair dynamics across markets.



05

From Market Shifts to Workshop Reality

Where Market Evolution Meets Repair Reality

The automotive sector is undergoing a profound transformation, shaped by evolving consumer expectations alongside rapid technological advancement. Today's vehicles are no longer defined solely by engineering progress; they increasingly reflect a broader set of expectations around value, performance, sustainability, and ownership experience. The modern car embodies a convergence of sophisticated electronics, advanced materials, and innovative engineering solutions, resulting in an impressive yet complex array of components within a single model. As manufacturers adapt their offerings to meet changing consumer demand, vehicle complexity has increased in parallel, extending market-level shifts into the operational reality of vehicle repair.

Market shifts toward advanced vehicle technology can be observed clearly once a vehicle enters the repair process. Today’s vehicles are increasingly designed around integrated electronic and software-driven architectures rather than purely mechanical systems. “[...]Modern vehicle architectures rely on standardized hardware platforms, with most functionality controlled by software and frequently updated over the air. Capabilities such as lane-keeping, adaptive cruise control, and energy-management systems can be activated or modified after purchase.” (S&P Global Mobility [21]). These changes can introduce new layers of complexity into repair execution, affecting diagnostics, labor requirements, and post-repair validation.

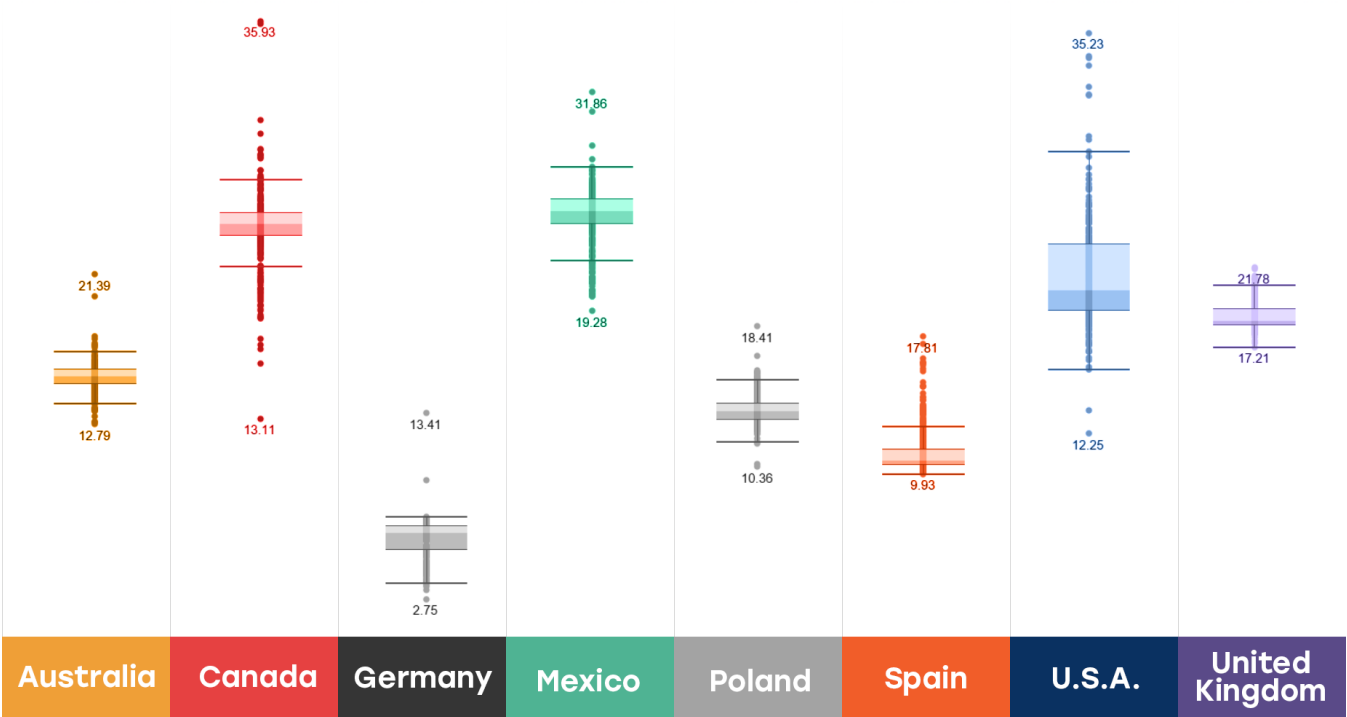
The Impact of Vehicle Complexity on Repair Times

As vehicle architectures evolve, repair time is one practical way to observe how complexity translates into operational impact. The shift from predominantly mechanical systems to software-defined, sensor-driven vehicles can increase diagnostic effort, calibration requirements, and validation steps required under OEM or local repair procedures.

Labor hours often capture part of the operational impact of this transformation. They capture the cumulative effect of advanced vehicle technologies, regulatory requirements, and process dependencies that now define modern repair execution. Analyzing labor times across markets provides critical insight into how vehicle complexity materializes on the workshop floor and how its impact varies by region.

Labor-hour variability can differ by regional repair standards, processes, and compliance requirements. Paint operations, present in over 75% of claims [patterns observed across Solera proprietary claims and repair data], are particularly influential, as differing paint processes and environmental requirements can significantly extend repair times. Combined with the growing diagnostic demands of electronically integrated vehicle systems, these factors drive meaningful differences in labor hours across markets.

Figure 6:
Average Vehicle Repair Hours 2025 – Paint labor included and Passenger Cars Only (Range of Daily Averages)



Source: Solera

In the following sections, the average labor hours across various countries will be dissected, examining the key factors that contribute to these differences. By analyzing the interaction between complexity, economic conditions, and workforce dynamics, a comprehensive understanding of how these elements influence repair times within the automotive sector will be provided.

Labor Hour Breakdown: A Comparative Study Across Nations

North America

North America exhibits greater dispersion in repair labor hours. A reasonable interpretation is that this dispersion may reflect a combination of differences in cost structure, repair mix, and the availability of technical talent across markets. The United States exhibits a maximum of 35.23 labor hours (Figure 6), although many repairs cluster around the 20-hour mark. This disparity could be consistent with fluctuations in the broader economic context and variations in vehicle usage, which may significantly influence both the complexity and frequency of repairs. As the automotive market continues to evolve, the growing adoption of advanced vehicle technologies and more comprehensive repair solutions may contribute to increased labor requirements across repair operations in the region [21].

Canada presents an average of 23.6 labor hours (Figure 6). An upward trend could be associated with the ongoing supply chain disruptions and post-pandemic recovery. The impact of vehicle complexity on repair times is further compounded by structural constraints in the skilled labor market [21]. As modern repairs increasingly require advanced diagnostics, calibration, and technology-specific expertise, the availability of qualified technicians emerges as a relevant operational consideration in repair execution. In this context, skill shortages represent an additional source of operational pressure that can interact with repair complexity and planning processes.

Europe

In Europe, labor-time outcomes reflect not only vehicle characteristics and regulatory environments, but also the depth and structure of technical capabilities supporting repair operations. Markets with strong links between vehicle development, training systems, and repair standards could demonstrate more predictable labor performance, even as vehicle complexity increases. Germany exemplifies this dynamic. The automotive industry represents the highest level of research and development activity in Germany (Automobile Wertschöpfung 2030/2050 [22]), enabling faster translation of technological advances into repair procedures, diagnostics, and tooling. This ecosystem supports a highly skilled workforce and well-defined repair protocols, contributing to lower and more stable labor hours despite rising vehicle sophistication.

Poland shows a complementary structural strength, driven primarily by workforce availability and technical education. The country is recognized as a regional leader in technical education, with a talent pool of over 1.5 million students, including more than 230,000 in engineering and technology disciplines [23]. This strong supply of technically trained labor supports repair capacity and could help contain labor-time inflation, even as repair complexity increases. Together, these examples highlight how investment in skills, education, and technical infrastructure plays a critical role in moderating the operational impact of vehicle complexity across European repair markets.



Meanwhile, Spain's average repair effort stands at around 11 labor hours (Figure 6). The relatively narrow dispersion of labor hours is consistent with more standardized repair execution patterns across the market. Recent macro-economic pressures, such as inflation and regulatory requirements, form part of the operating context in which these results are observed.

Australia

In Australia, the average labor hours required for repairs is around 16 (Figure 6). This level can be viewed within the broader context of local operating conditions, including technical capability and regulatory requirements in which repairs are performed. As advanced vehicle technologies become more prevalent, repair is often associated with specialized diagnostics, calibration, EV-related expertise, and dedicated technician training. In response, repair facilities continue to adapt processes, tools, and training approaches as technology requirements evolve.



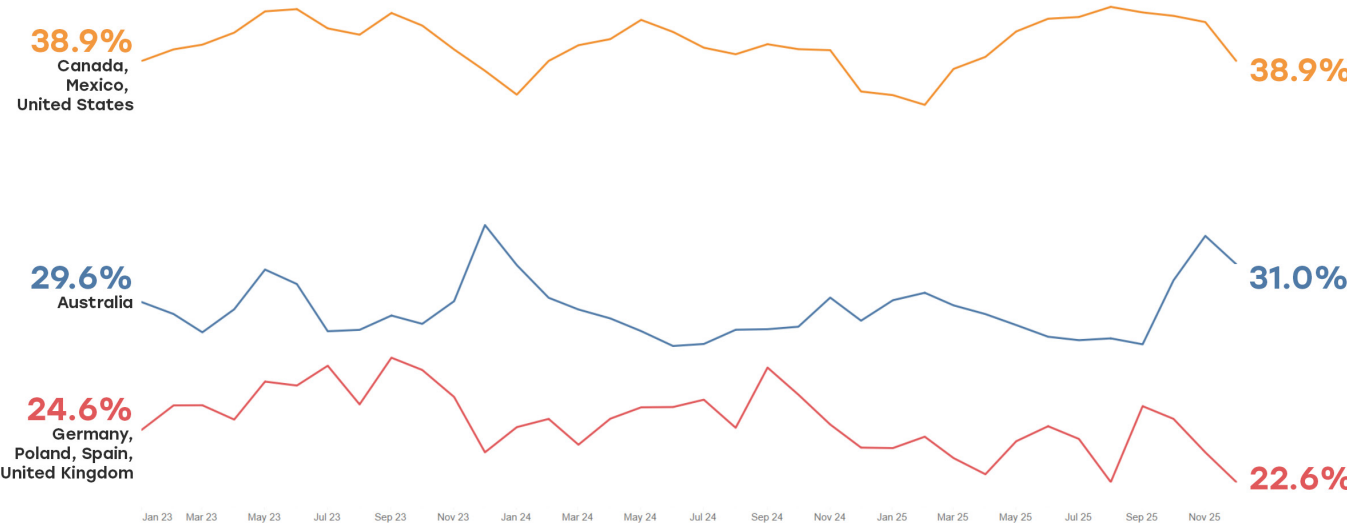
The distribution of repair hours varies by region and can reflect differences in vehicle mix, repair practices, and operating conditions. In North America, the prevalence of larger vehicles, such as SUVs and trucks, is commonly observed alongside higher repair complexity and labor hours. These vehicles generally require more intensive repairs due to their complex systems and the specialized knowledge needed to address them. Conversely, in Europe, a vehicle mix that tends toward more compact and efficient models, together with a well-established service network, is associated with lower repair effort and labor hours. The contrasting averages in repair times indicate that regional practices, vehicle types, and consumer expectations play significant roles in shaping the automotive repair landscape in both North America and Europe.

To enhance the customer experience during these repair windows, it is crucial for shops to implement proactive daily communication. As a rough equivalence, repair involving around 20–40 labor hours can align with approximately 3–5 business days, subject to capacity and process flow, emphasizing the importance of managing customer expectations during this period. Transparency in service timelines and consistent communication throughout the repair process are key drivers of customer satisfaction and retention [24]. This approach not only reinforces the shop's brand but also fosters a sense of transparency and reliability. By adopting a customer-centric communication strategy, repair facilities can effectively navigate the complexities of vehicle repairs while ensuring that clients feel valued and informed, a critical differentiator in a competitive and dynamic marketplace.

Navigating Repair Decisions: The Role of the Repairability Ratio

The repairability ratio provides insight into how repair decisions are executed once a vehicle enters the repair process, capturing the balance between repairing and replacing parts. Unlike labor hours, which reflect execution effort, repairability highlights how economic, regulatory, and operational factors shape decision-making at part level.

Figure 7:
Repairability Trend by Region – Passenger Car Only (All Part Types)



The chart shows clear and persistent regional differences in repairability trends across North America, Europe, and Australia, underscoring that repair versus replacement outcomes are influenced by structural factors beyond vehicle technology alone.

North America

In North America (Canada, Mexico, and the United States), repairability ratios remain consistently high, fluctuating around the upper-30% range over the observed period (Figure 7). This is consistent with a tendency to favor repair where feasible, influenced by repair economics. One key driver is the underlying economics of repair operations. As industry analysis notes, “a mechanic does not receive the hourly labor rate you are quoted. That rate reflects his/her pay plus a portion of the facility’s business expenses. Running an auto repair shop today is a costly undertaking. In addition to the cost of the physical facility, high-tech diagnostic tools and equipment needed to service modern vehicles can easily require a six-figure investment. (AAA Auto Repair analysis [25])”. In this context, repairing components can be economically advantageous relative to replacement, particularly when parts costs are high or supply constrained. Well-established repair networks and mature processes further support repair-first decision-making, contributing to a stable repairability profile despite increasing vehicle complexity.

Europe

By contrast, European markets (Germany, Poland, Spain, and the United Kingdom) exhibit significantly lower repairability ratios, declining from approximately 25% toward the low-20% range (Figure 7). This pattern in Europe is observed within a repair environment influenced by regulatory and compliance considerations, where component replacement is more commonly observed to support compliance, performance consistency, and post-repair validation. In markets where repair execution is tightly regulated and quality assurance thresholds are high, replacement decisions are often preferred even when repair may be technically possible. As a result, repairability in Europe reflects regulatory and compliance frameworks rather than technical repair limitations.

Australia

Australia sits between these two profiles and shows a distinct upward trend, with repairability increasing from approximately 29% to just over 31% (Figure 7). This evolution suggests a gradual shift toward greater use of repair operations, supported by pragmatic repair decision-making, strong service networks, and growing sensitivity to cost and parts availability. While vehicle complexity continues to rise, the Australian market shows a repairability profile that suggests a more balanced repair-versus-replace approach.

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Taken together, the data illustrates that repairability ratios are shaped by the interaction between labor cost structures, regulatory environments, and operational norms, rather than vehicle technology alone. Markets with similar vehicle architectures can display markedly different repair outcomes depending on how repair economics and compliance requirements influence decision-making at the workshop level.

Understanding these regional dynamics is important for assessing downstream impacts on total claim cost, parts demand, cycle time, and customer experience. As vehicles continue to evolve, repairability will remain a critical indicator of how complexity is absorbed within repair systems across global markets.



From insights to action

As market shifts materialize at the point of repair, increasing vehicle complexity is influencing how repairs are planned, executed, and managed. Advanced vehicle architectures, software-driven functionality, and evolving cost structures are placing new demands on operational capabilities, making variability in labor time and repair outcomes an increasingly common characteristic of modern repair environments.

KEY ACTIONS TO CONSIDER INCLUDE:

Recognize Vehicle Complexity as an Operational Driver: Operational models may benefit from explicitly accounting for the growing impact of software-defined systems, diagnostics, and calibration requirements on repair execution. Treating complexity as a core planning variable—rather than an exception—supports more realistic capacity planning and performance expectations.

Adapt Labor and Capacity Planning to Higher Variability: As labor times become less predictable, stakeholders may need to move beyond average-based assumptions and incorporate variability into scheduling, resource allocation, and throughput management. Understanding distribution and dispersion is becoming increasingly important to maintaining efficiency under complex repair conditions.

Align Repair Decisions with Long-term Complexity and Cost Structure Realities: Repair versus replacement outcomes are increasingly influenced by the full economics of repair execution, including tooling investment, compliance requirements, and facility overhead. As vehicle complexity continues to accumulate across aging fleets, aligning repair decisions with sustainable cost structures can help manage variability, capacity pressure, and long-term operational resilience.

Strengthen Technical Capability and Process Standardization: Markets that combine advanced tooling with standardized repair procedures and skilled technical capability tend to demonstrate greater resilience to rising complexity. Continued investment in diagnostics, calibration processes, and structured workflows can help moderate labor-time growth and improve consistency.

Use Data to Identify Structural, Not Episodic, Change: Monitoring labor hours, repairability ratios, and execution patterns over time can enable early identification of structural shifts versus short-term fluctuations. Data-driven insight supports more proactive adaptation as complexity moves from design into daily operations.

By translating market-level change into operational readiness, automotive ecosystem stakeholders may be better positioned to absorb complexity, reduce execution friction, and sustain performance as repair environments continue to evolve. Organizations that proactively adapt to these conditions can strengthen their ability to manage variability and maintain resilience in an increasingly demanding repair landscape.



06

The New Cost Reality in Repairs

Shifting Cost Structures in Vehicle Repairs

Repair economics are evolving in response to increasing vehicle complexity, aging fleets, and structural pressure on labor and parts. As advanced technologies and diversified propulsion systems become standard, repairs increasingly require additional time, skills, and specialized components. These dynamics are contributing to changes in cost structures across markets, making efficiency, predictability, and data-driven insight important considerations in managing repair performance and customer expectations.

The Significance of Vehicle Age in Shaping Repair Costs

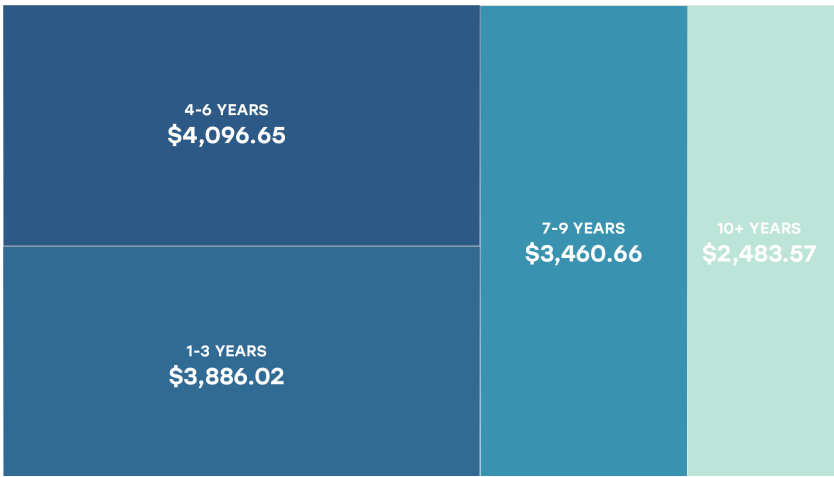
Repair costs are shaped by the interaction between vehicle age, technology complexity, and regional economic conditions. As vehicles age, repair frequency typically increases, while cost structures can evolve based on parts availability, labor intensity, and local market practices. Newer vehicles, by contrast, often exhibit higher per-claim costs due to advanced technology, specialized components, and calibration requirements, even where overall repair frequency is lower.

Regional differences further influence these dynamics. Variations in labor rates, parts supply, and consumer purchasing power contribute to meaningful differences in claim costs across markets. In higher-cost regions, repair expenses are more closely associated with skilled labor availability and advanced repair requirements, while in more cost-sensitive markets, affordability and repair pragmatism tend to play a stronger role in decision-making.

To isolate these effects, the following analysis examines median total repair costs by vehicle age across regions, highlighting how age-at-claim influences cost exposure under different economic and operational conditions. All figures are presented in local currency to ensure comparability and avoid distortion from exchange-rate effects.

The analysis begins with an examination of automotive repair costs across the United States, Canada, and Mexico.

Figure 8
Median Total Repair Cost in the USA by Vehicle Age at Claim – Passenger Car Only
(Local Currency)



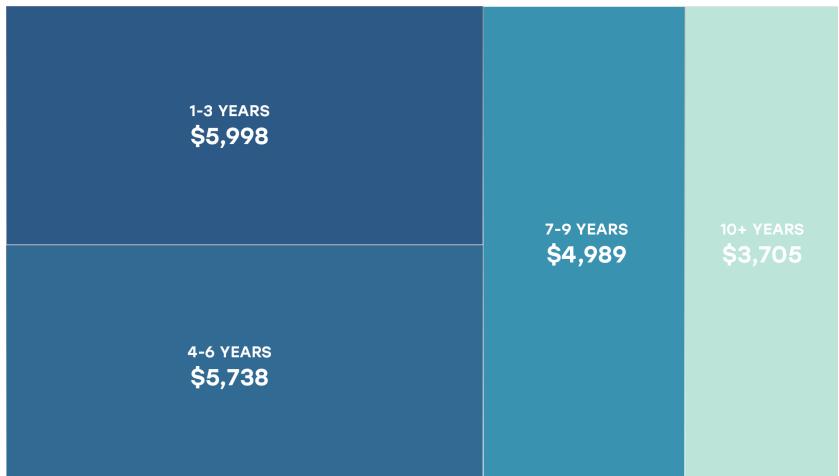
Source: Solera

In the United States, for example, the repair costs for vehicles aged 4 years average \$4,006.5, while those aged 7 years are lower at \$3,460.66 (Figure 8). Vehicles that are 10 years old show even lower repair costs, at \$2,428.57. While older vehicles may be associated with higher repair frequency, they are generally observed to be less expensive to repair on a per-claim basis as they age (Figure 8).

As vehicles transition beyond initial warranty coverage, particularly in the 4-6 year range, repair decisions tend to balance quality with affordability, contributing to more moderate cost outcomes. Across markets, older vehicles are often associated with lower per-claim costs, reflecting reduced technology complexity, more established repair processes, and broader parts availability. Together, lower technological complexity and accumulated repair expertise can contribute to more predictable, efficient, and lower-cost repairs for aging vehicles.

In Canada, median repair costs follow a different age-cost profile, with the highest costs concentrated in vehicles aged 1-3 years, reaching CAD \$5,998, and in vehicles aged 7 years, with median costs of CAD \$4,989 (Figure 9). Vehicles aged 10 years show a lower average repair cost of CAD \$3,706 (Figure 9), indicating that, as also observed in the United States, older vehicles may be associated with more established repair protocols and improved parts availability.

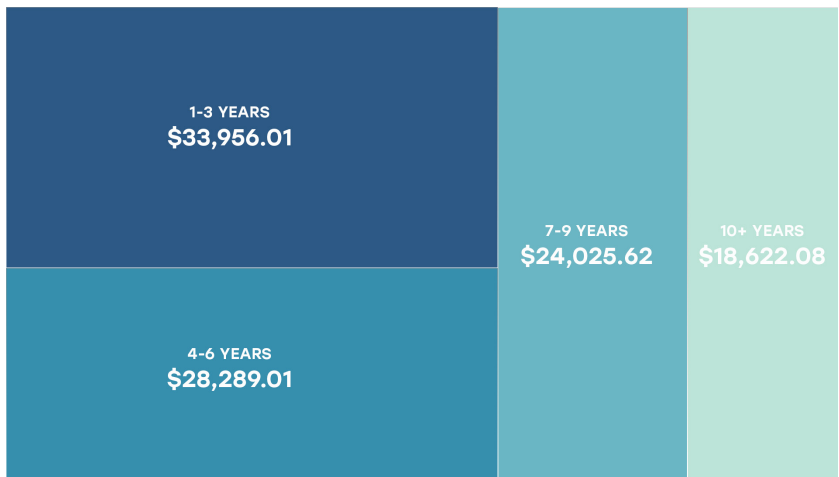
Figure 9:
Median Total Repair Cost in Canada by Vehicle Age at Claim – Passenger Car Only
(Local Currency)



Source: Solera

In contrast, Mexico presents a more complex picture with vehicles aged 1-3 years averaging MXN 33,956.01, while vehicles aged 7 years show lower average repair cost at MXN 24,025.62 (Figure 10). Repair costs for vehicles aged 10 years decline further to MXN 8,822.08 (Figure 10), suggesting that economic factors and repair market dynamics are likely to play an important role in shaping consumer behavior and repair expenses in Mexico.

Figure 10:
Median Total Repair Cost in Mexico by Vehicle Age at Claim – Passenger Car Only
(Local Currency)



Source: Solera

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Across all three markets, vehicles aged 10 years and older consistently exhibit the lowest median repair costs, reflecting lower vehicle values, reduced technological complexity, and more cost-conscious repair strategies. The growing use of alternative and recycled parts may further support this pattern, a dynamic that will be explored in future Solera analyses.

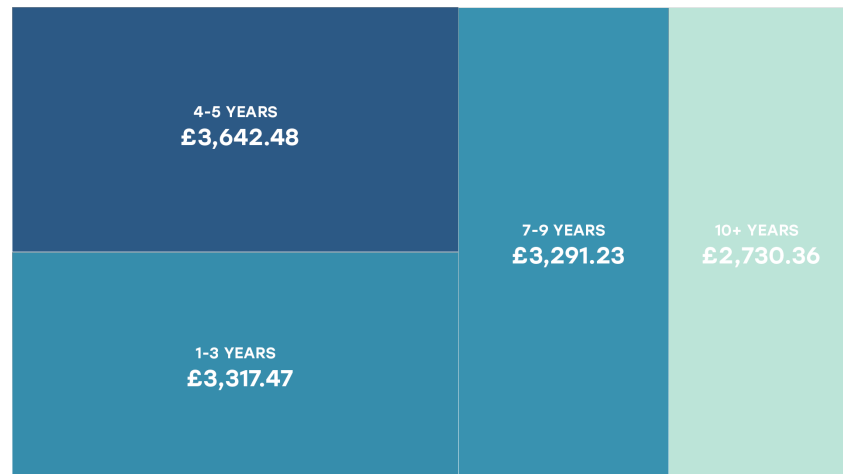
This analysis highlights the diverse automotive repair cost profiles across North America and underscores the importance of understanding regional variation in market conditions and repair practices.

Focusing on European markets reveals the following trends:

While the United Kingdom and Poland show patterns similar to those observed in the United States, Germany and Spain appear more closely aligned with the behaviors observed in Canada and Mexico.

In the United Kingdom, median total repair costs tend to be higher for vehicles aged 4-6 years compared to newer vehicles (1-3 years) (Figure 11). This pattern may be associated with the increasing complexity of repairs as vehicles age. Cars in the 4-6 year range may begin to require more significant maintenance, including repairs related to wear and tear on components that are no longer covered by warranties. This age group can also experience issues related to technology and electronic systems, which may be more costly to repair. By contrast, younger vehicles (1-3 years) are often still under warranty, which can influence the repair costs reported (Figure 11). In these cases, owners may have less incentive to file claims, or some costs may be absorbed by warranty providers, contributing to lower observed median repair costs. As vehicles age and warranties expire, owners may face out-of-pocket repair expenses, which are reflected in the data, particularly for the 4-6 year age group (Figure 11).

Figure 11:
Median Total Repair Cost in United Kingdom by Vehicle Age at Claim – Passenger Car Only
(Local Currency)



Source: Solera

Figure 12:
Median Total Repair Cost in Poland by Vehicle Age at Claim – Passenger Car Only
(Local Currency)

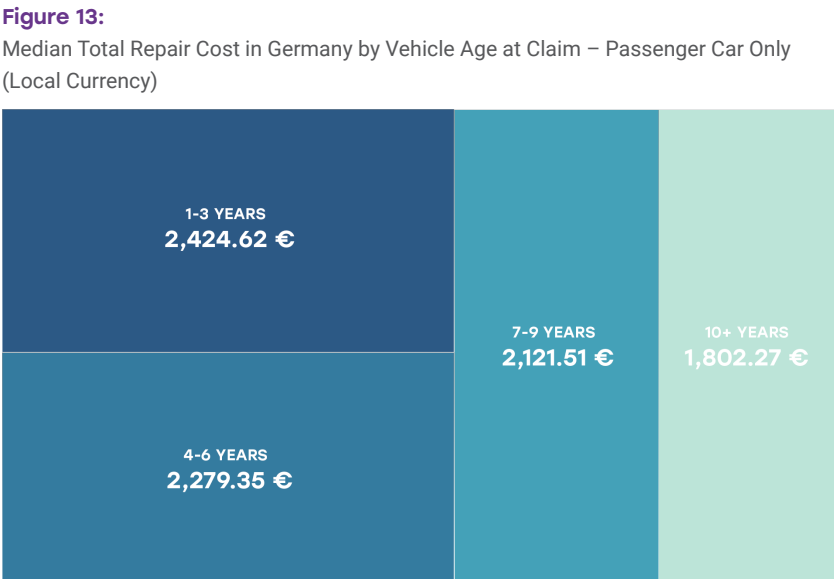


Source: Solera

In Poland, median total repair costs also reflect variation by vehicle age. For vehicles aged 1-3 years, the average repair cost is PLN 10,664.96, while costs for vehicles aged 4-6 years increase slightly to PLN 10,753.75 (Figure 12).

Repair costs for 7-year-old vehicles decline to PLN 10,249.84, with a more pronounced decrease for vehicles aged 10 years, at PLN 6,993.52 (Figure 12). This pattern suggests that, similar to the United Kingdom and North America, older vehicles may be associated with more frequent but lower-cost repairs, reflecting broader parts availability and more established repair methods. Economic factors in Poland, such as lower labor costs and a strong market for used vehicles, are likely to contribute to these outcomes. Consumers may also prioritize maintaining older vehicles, influenced by economic considerations and the relative cost of repairs compared with purchasing new vehicles.

Together, these observations highlight the importance of regional conditions in shaping automotive repair costs and reinforce the value of considering market-specific dynamics when interpreting repair cost trends across Europe.



Source: Solera

In Germany, repair costs for vehicles aged 4-6 years and 7-9 years remain relatively stable and higher than those observed for older vehicles (Figure 13), broadly aligning with the average repair costs for vehicles aged 1-3 years. This pattern may reflect the complexity associated with repairs during these transitional years, as vehicles move from warranty coverage toward greater out-of-pocket expense for owners. As vehicle age, they can require more significant maintenance related to wear and tear, which may contribute to higher repair costs.

The presence of modern technologies in these vehicles is also associated with higher repair expenses, as sophisticated systems may require specialized knowledge or parts. In addition, vehicle ownership culture in Germany often emphasizes quality and longevity, leading consumers to invest in maintaining their vehicles. This commitment to upkeep can result in higher repair costs for mid-aged vehicles.

As vehicles reach the 10-year mark, many owners may increasingly prioritize more budget-conscious repair approaches or consider vehicle replacement, which is reflected in the lower median repair costs observed for that age group.

Figure 14:
Median Total Repair Cost in Spain by Vehicle Age at Claim – Passenger Car Only
(Local Currency)



Source: Solera

In Spain, median repair costs follow a distinct pattern. Vehicles aged 1-3 years average €1,500.10, while those aged 4-6 years remain broadly stable at €1,420.49 (Figure 14). Repair costs decline more noticeably for older vehicles, with averages of €1,347.74 for vehicles aged 7-9 years and €1,129.52 for vehicles aged 10 years and older.

This downward cost trajectory is primarily associated with structural and economic factors rather than vehicle ownership profiles alone. Spain benefits from lower labor and operating cost structures compared with markets such as Germany, which contributes to more moderate repair cost severity. In addition, the repair ecosystem is strongly influenced by insurers, which represent a significant share of repair demand and can exert substantial negotiating influence over labor rates, parts pricing, and repair scope.

Insurer-led claims management often favors repair over replacement, the use of aftermarket and recycled parts where appropriate, and the redirection of vehicles to preferred multi-brand repair networks operating under agreed commercial conditions.

At the same time, the Spanish market exhibits a high level of vehicle retention, with older vehicles maintaining meaningful residual value. As a result, owners may continue to repair and maintain aging vehicles—often accepting alternative or recycled parts—to avoid total loss outcomes and preserve the vehicle as a usable asset. Together, these factors contribute to lower and more controlled repair costs for older vehicles, despite their higher age.

In general, similar to the North America region, trends observed for vehicles aged 10 years and older in Europe suggest that older ICE vehicles are often associated with simpler mechanical systems and repairs that can be managed more easily, or that owners of older vehicles may opt for more cost-effective repair solutions. As vehicles age, owners may become more selective about which repairs they pursue, which can contribute to lower overall repair costs. In addition, older vehicles are less likely to be associated with high-cost repairs related to newer technologies.

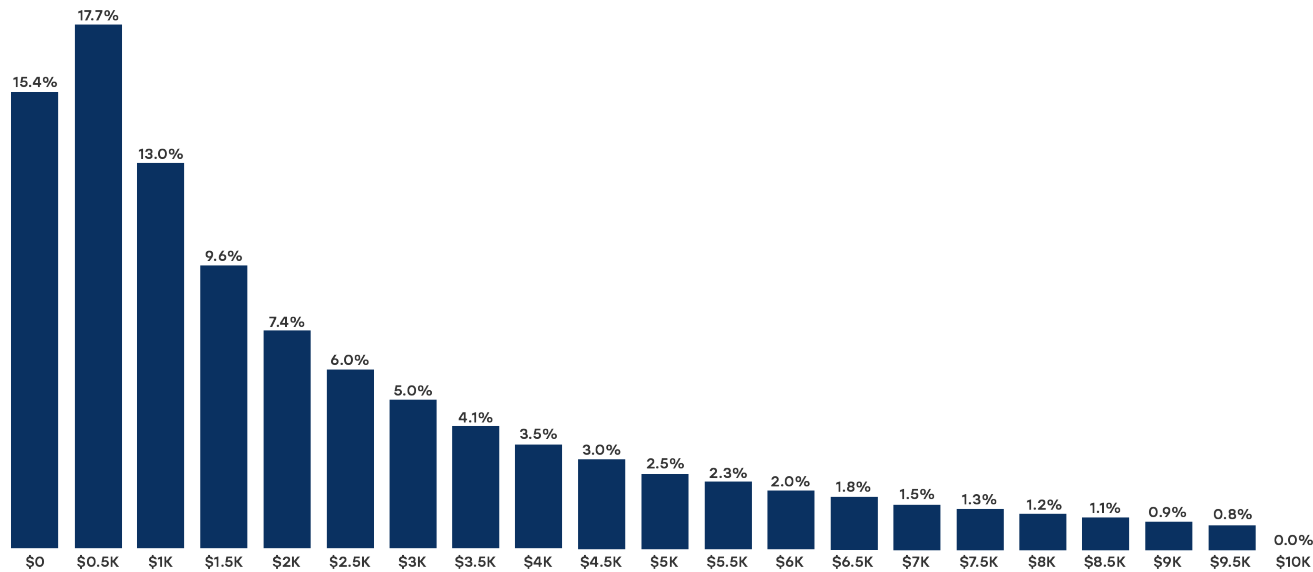
Country-Specific Dynamics in Claim Cost Evolution

The distribution of total repair costs for passenger cars in 2025 highlights distinct cost patterns across regions, reflecting differences in economic conditions, labor structures, vehicle mix, and repair practices. Examining cost distributions—rather than averages alone—provides deeper insight into consumer behavior, claim severity, and the practical repair decisions shaping each market.

The following analysis reviews country-level cost distributions, illustrating how repair spending is distributed across lower, mid, and higher cost bands in each market. All figures are presented in local currency to ensure comparability and avoid distortion from exchange-rate effects.

North America: The distribution of total repair costs for passenger cars in North America in 2025 reveals distinct patterns across the United States, Canada, and Mexico, reflecting variation in consumer behaviors and economic conditions. In the United States, the data shows a significant concentration of repair costs at lower price points, with the highest share (17.1%) falling within the \$500 range (Figure 16). This indicates that many repairs are relatively low-cost even as costs increase, while higher-cost repairs represent a smaller share of total claims. This pattern may be influenced by factors such as warranty coverage and insurance arrangements, which can limit out-of-pocket expenses for consumers. In addition, it is important to recognize that the United States automotive repair market is highly dependent on imported automotive parts. Trade data show that the United States imports a substantial volume of both OEM and aftermarket parts, with the largest shares sourced from major trading partners including Mexico, Canada, and China. This reliance reflects the globalized structure of the automotive supply chain and underscores the importance of cross-border trade in supporting vehicle repair and maintenance activities in the U.S. market. [26]

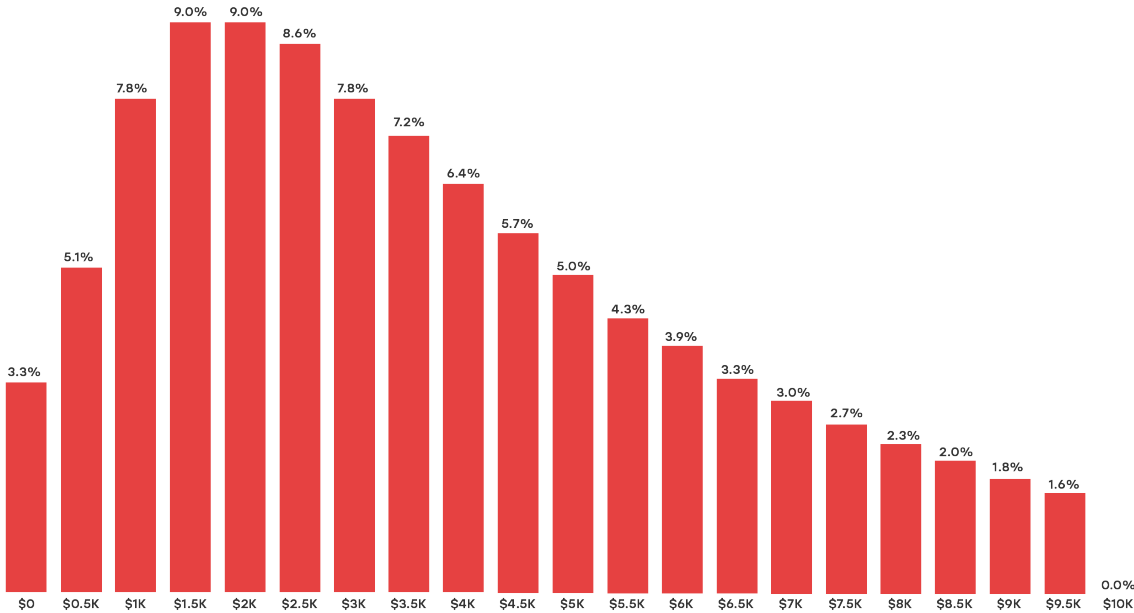
Figure 16:
2025 Distribution of total Repair Cost in the USA – Passenger Car Only
(Local Currency; Excluding Taxes and Discounts)



Source: Solera

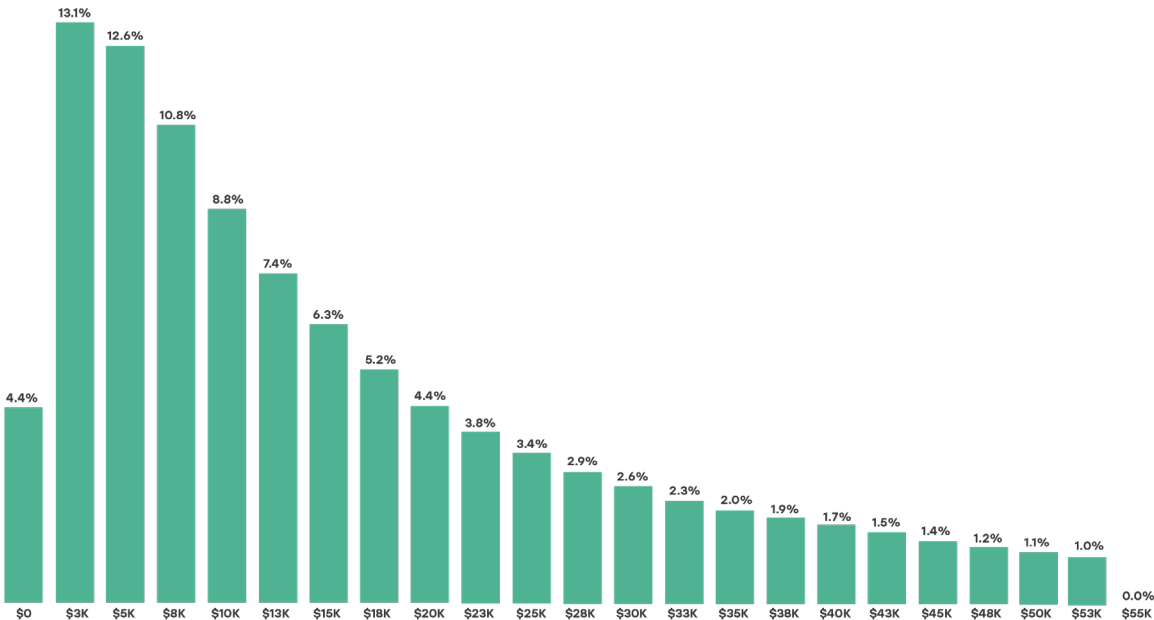
In Canada, the distribution appears more balanced, with the highest share of claims (9.0%) concentrated in the \$1,500 and \$2,500 range (Figure 17). This indicates that consumers are often willing to invest more in repairs compared to lower price points, alongside a preference toward mid-range vehicles, consistent with a stable and cautious market profile. This pattern may reflect a broader emphasis on maintaining vehicle quality and longevity. In contrast, Mexico's distribution shows a greater concentration in lower-cost repairs, with the highest share of claims (13.1%) occurring in the MXN \$3,000 range and a notable decline in claims exceeding MXN \$10,000 (Figure 18). This pattern is consistent with economic conditions that may encourage consumers to prioritize affordability when making vehicle repair decisions.

Figure 17:
2025 Distribution of total Repair Cost in Canada – Passenger Car Only
(Local Currency; Excluding Taxes and Discounts)



Source: Solera

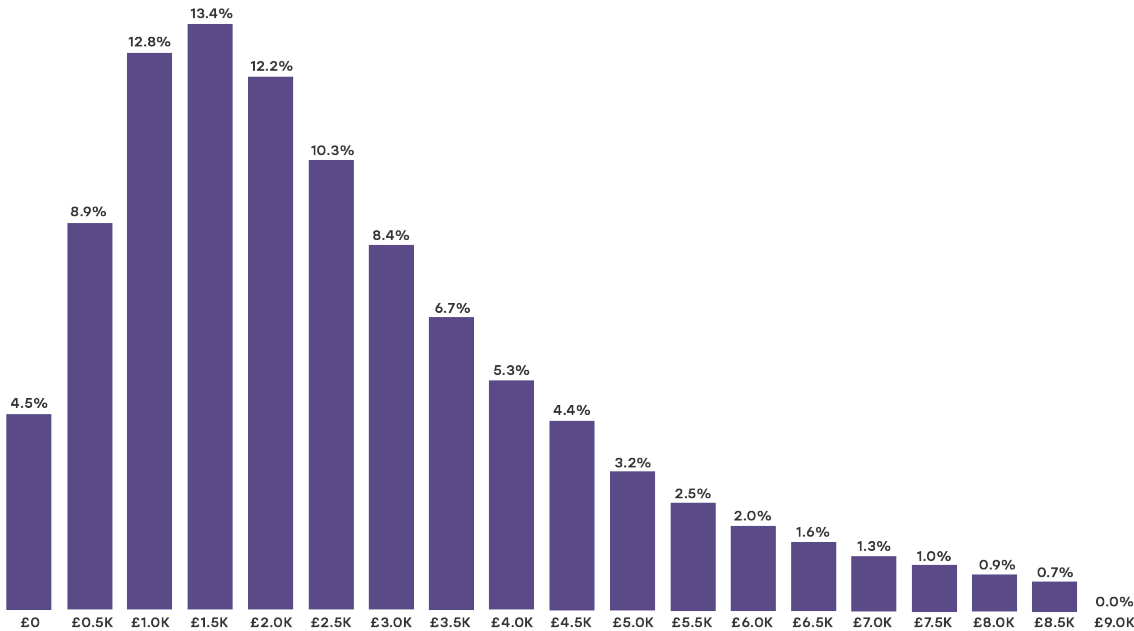
Figure 18:
2025 Distribution of total Repair Cost in Mexico – Passenger Car Only
(Local Currency; Excluding Taxes and Discounts)



Source: Solera

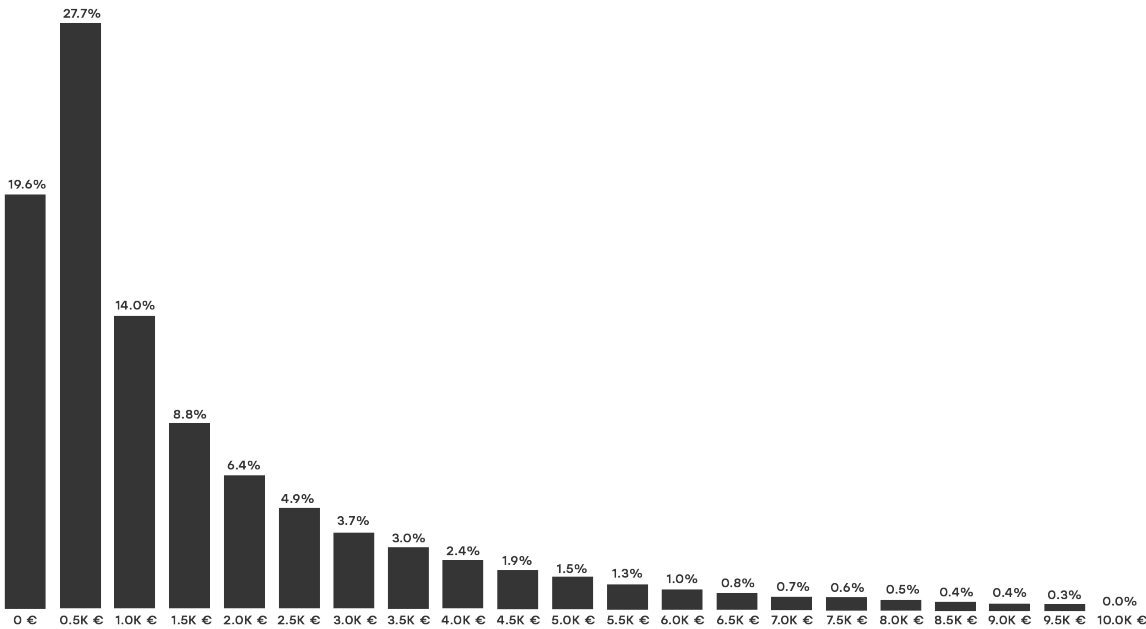
Europe: Europe presents a diverse landscape in automotive repair cost distribution, with notable differences across the United Kingdom, Germany, Spain, and Poland. In Germany, the data shows a pronounced concentration of repair costs in lower value bands, with 27.7% of claims falling within the €500 range (Figure 20). This distribution reflects a highly structured repair environment characterized by standardized processes, strong quality controls, and a preference for predictable, moderately priced repairs aligned with Germany’s engineering and regulatory framework.

Figure 19:
2025 Distribution of total Repair Cost in United Kingdom– Passenger Car Only
(Local Currency; Excluding Taxes and Discounts)



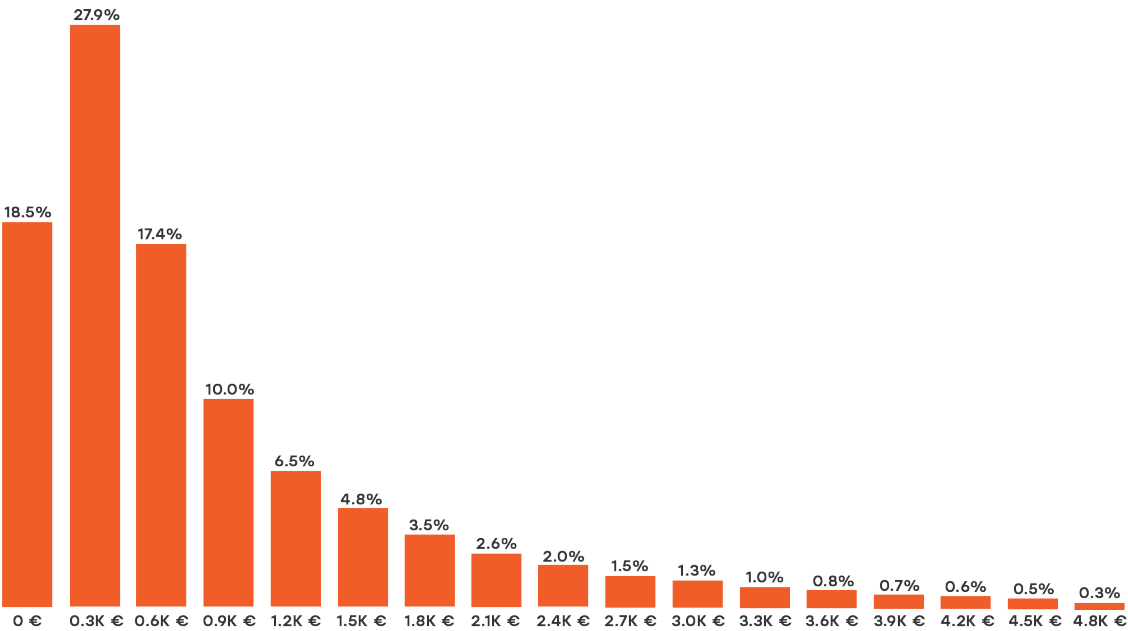
Source: Solera

Figure 20:
2025 Distribution of total Repair Cost in Germany– Passenger Car Only
(Local Currency; Excluding Taxes and Discounts)



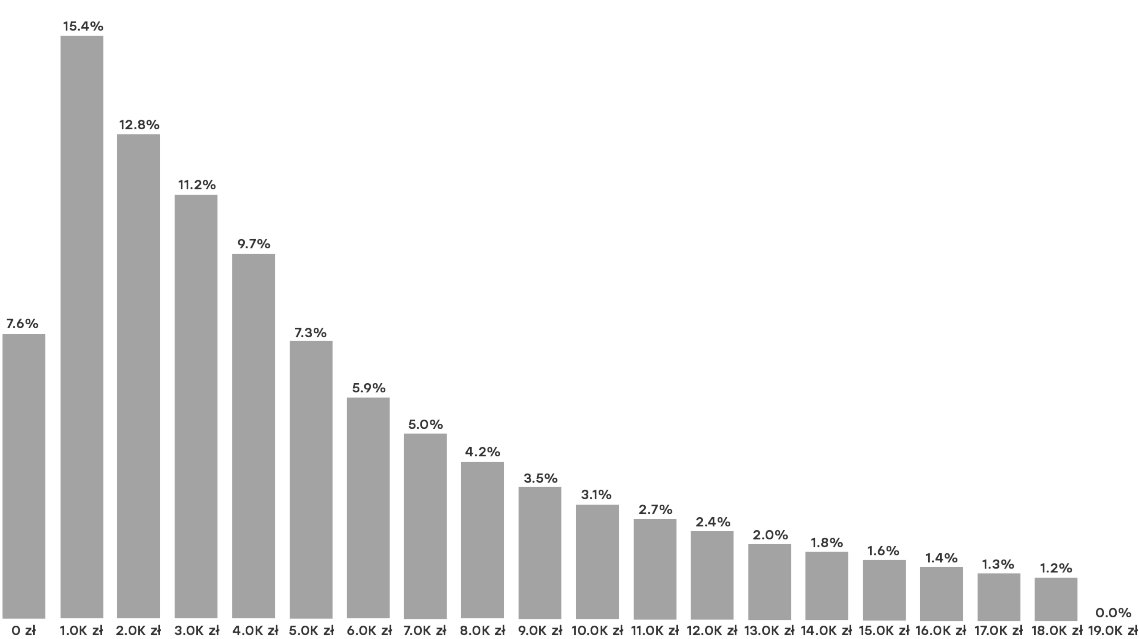
Source: Solera

Figure 21:
 2025 Distribution of total Repair Cost in Spain – Passenger Car Only
 (Local Currency; Excluding Taxes and Discounts)



Source: Solera

Figure 22:
 2025 Distribution of total Repair Cost in Poland – Passenger Car Only
 (Local Currency; Excluding Taxes and Discounts)



Source: Solera

In Spain, the distribution of repair costs is influenced not only by vehicle characteristics but also by insurance market dynamics. The widespread availability of competitively-priced, comprehensive insurance policies—including those with deductibles—is associated with a higher incidence of declared and repaired claims beyond major collision events. As a result, the dataset includes a substantial volume of lower-severity repairs, such as parking damage or the accumulation of minor impacts on a single vehicle area (“panel damage”). This contributes to a broad and heterogeneous claims mix, spanning both collision-related repairs and a significant share of low-cost, low-severity interventions, particularly among newer vehicles. These dynamics help contextualize the higher concentration of repairs in lower cost bands observed in the Spanish market.

Conversely, the United Kingdom shows lower overall percentages in the lower cost brackets, particularly in the £20 to £500 range (Figure 19). This is consistent with a market that tends to be oriented toward higher-value vehicles, potentially influenced by consumer preferences for premium brands and higher-specification features. Poland presents a more varied distribution, with 15.6% of total costs concentrated in the 1.000 zł range (Figure 22), alongside notable shares across other lower price brackets. This pattern suggests a market in which consumers are increasingly transitioning toward newer vehicles while continuing to emphasize affordability. The data indicates that many Polish consumers opt to retain older vehicles, reflecting the economic feasibility of maintaining them over replacement.



Overall, these patterns illustrate the complexities of automotive repair cost distributions across markets and highlight how economic, insurance, and structural factors shape repair decisions in different regions.



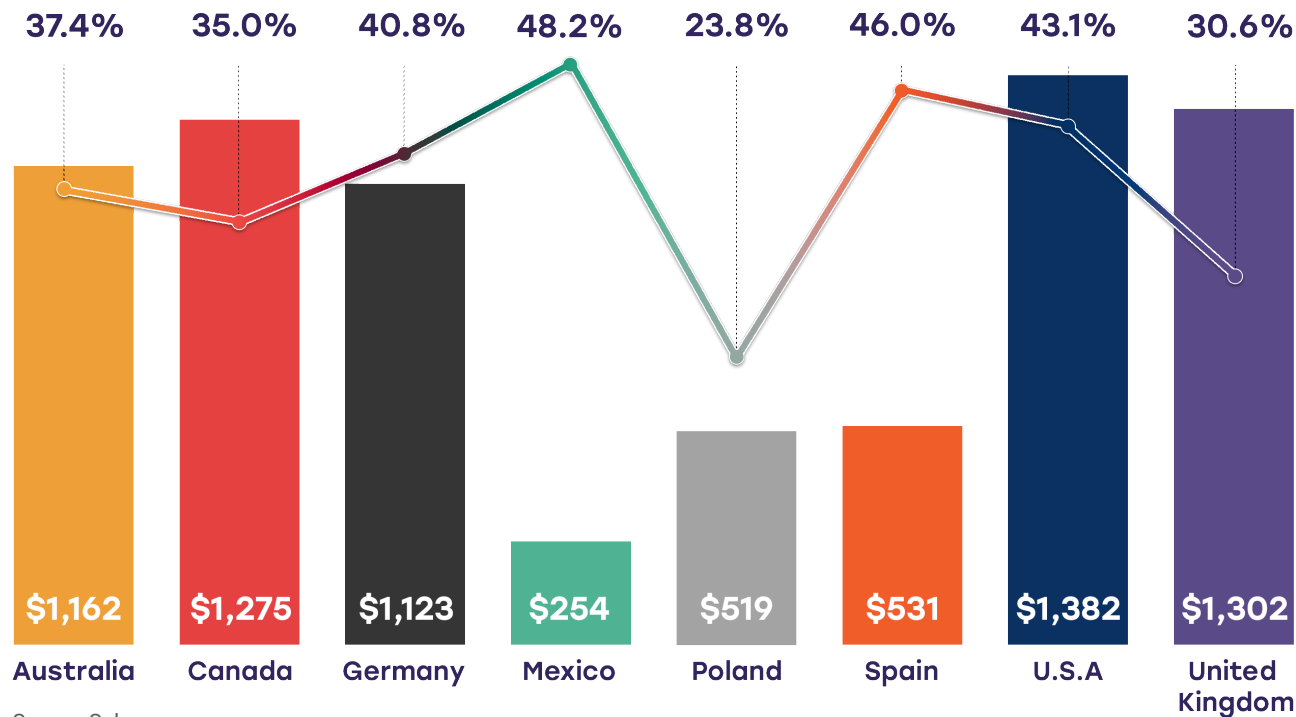
Total claim costs are not uniform across markets. They reflect a combination of factors, including local labor economics, vehicle age profiles, repair standards, and consumer cost sensitivity. By analyzing how repair costs are distributed across value bands in each country, this section highlights the structural factors shaping claim severity and repair behavior, offering a clearer view of regional differences beyond headline averages.

Examining the Influence of Labor Costs on Repair Claims

Understanding the role of labor costs is important for explaining cross-market differences in total claim severity. Labor rates, combined with vehicle age and repair complexity, are closely associated with cost outcomes. These dynamics interact closely with local economic conditions and consumer cost sensitivity, shaping repair decisions and overall claim exposure across markets.

The following chart illustrates average labor costs by country and their contribution to total passenger-car repair claim costs. For clarity, total repair cost reflects the combined cost of parts, labor, paint, and materials associated with each repair claim. Total loss claims are explicitly excluded from this analysis, and the data covers the full year 2025. Taxes, administrative fees, and external charges are also excluded to ensure consistent comparability across markets.

Figure 24:
2025 Average Labor Cost and Labor Cost as Percent of Total Cost (Australia, Canada, Germany, Mexico, Poland, Spain, USA, United Kingdom)
– Passenger Car Only (\$; Paint Labor Included)



Source: Solera

Labor costs represent a material and structurally distinct component of total claim costs across markets. Variations are associated with differences in local labor availability, wage pressure, regulatory environments, and the pace of vehicle technology adoption.

United States: Labor costs in the United States are among the highest globally (Figure 24), reflecting persistent shortages of skilled technicians and rising repair complexity. Advanced diagnostics, calibration requirements, and larger vehicle formats contribute to higher labor intensity, making labor a significant component of claim severity. These pressures are reinforced by structural workforce constraints. As noted by the TechForce Foundation, “The North American aftermarket still faces a significant shortage of skilled technicians. The TechForce Foundation’s 2024 Supply & Demand Report projected demand for nearly 795,000 new automotive, diesel, and collision repair technicians between 2024 and 2028, driven by retirements, career changes, and increased service needs.” (Greenwich Capital Group [27])

Canada: Labor costs remain high but comparatively stable. A more balanced technician supply, supported by training initiatives and moderate wage growth, has helped limit volatility. As a result, labor represents a significant but predictable share of total claim costs.

Germany: Labor costs are elevated (Figure 24), reflecting high skill requirements, strict repair standards, and inflationary pressures following the post-pandemic recovery. Strong technical capability and regulatory rigor support repair quality but are associated with higher labor cost contributions to claims.

United Kingdom: Labor costs are high (Figure 24) and are increasingly influenced by workforce constraints following Brexit, combined with inflation and regional cost disparities. Ongoing technician demand continues to place upward pressure on wages, reinforcing labor as a key component of total repair costs.

Poland: Labor costs in Poland remain comparatively low (Figure 24) but are gradually increasing as economic development and demand for skilled labor accelerate. This upward pressure is moderated by a strong and expanding technical workforce, which supports repair capacity and helps limit labor-time inflation despite rising vehicle complexity. Poland benefits from a deep talent pipeline (Polish Investment & Trade Agency [23]). “Poland is the regional leader in terms of the number of employees with technical education. The talent pool comprises more than 1.5 million students, of which more than 230,000 are engineering and technology majors [23]”. This structural advantage supports more moderate labor cost growth and tempers labor’s contribution to total claim severity.

Spain: Labor costs are relatively low in absolute terms but account for a high proportion of total repair costs due to lower overall claim severity (Figure 24). Insurer-driven repair models, standardized processes, and negotiated labor rates contribute to controlled labor cost growth.

Mexico: Labor costs are the lowest among analyzed markets (Figure 24), supported by a large technician workforce, and lower adoption of advanced repair technologies. Labor represents a high share of total costs but at significantly lower absolute levels.

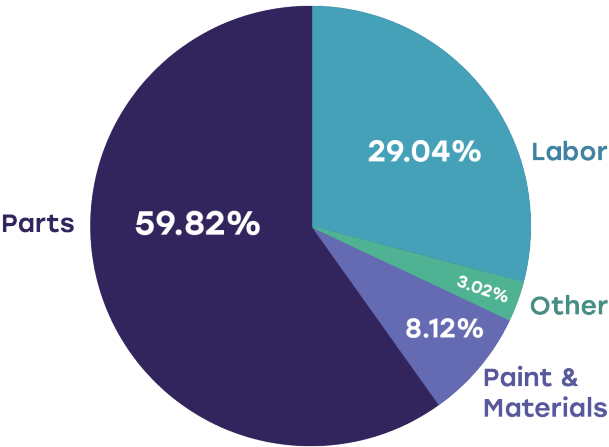
Australia: Labor costs sit at mid-to-high levels, reflecting a stable labor market with sufficient technical capability. While demand for advanced skills is increasing with vehicle complexity, balanced supply has so far limited sharp cost escalation.



Most of the cost of the claim cost is attributed to parts, which account for 59.82% in North America and 48.14% in Europe (Figures 25, 26). This significant proportion highlights the critical role that parts play in the overall repair process, reflecting factors such as vehicle complexity and the cost of components, which can be influenced by supply-chain conditions and demand for higher-specification materials.

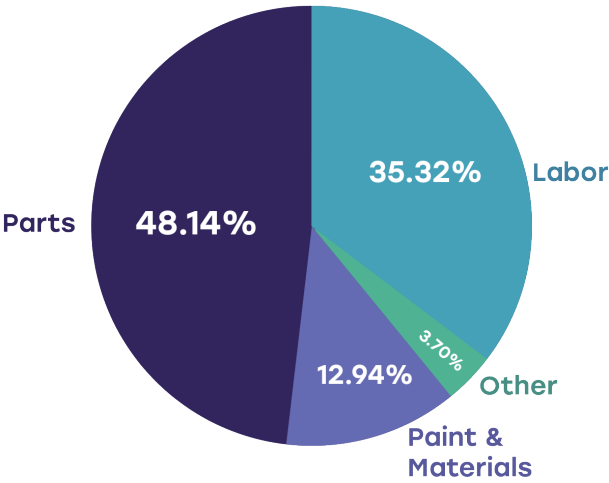
Following parts, labor costs represent around 29.04% in North America and a similar percentage in Europe (Figures 25, 26). As shown in the previous analysis, this consistency underscores the ongoing importance of skilled labor in the repair process, as technicians must be trained to work with increasingly sophisticated automotive technologies. The relatively high share is also consistent with a competitive labor market in which skilled technicians are in demand, which can place upward pressure on wages.

Figure 25:
Regional Breakdown of 2025 Total Repair Cost by Cost Component – Passenger Car Only
(Canada, Mexico, United States)



Source: Solera

Figure 26:
Regional Breakdown of 2025 Total Repair Cost by Cost Component – Passenger Car Only
(Spain, Poland, Germany, United Kingdom)



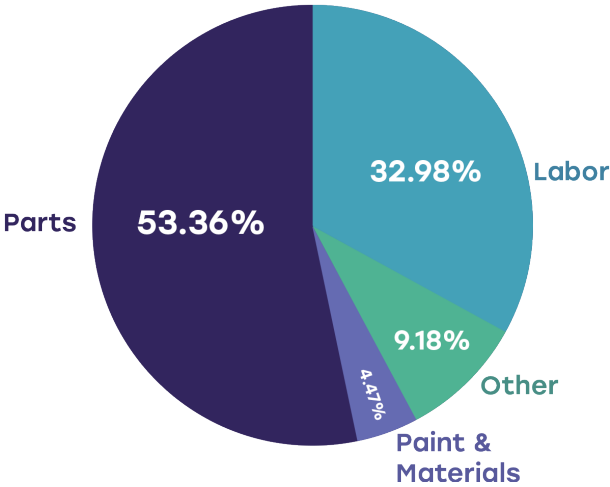
Source: Solera

In addition to these primary cost components, paint and materials contribute 8.12% to the overall repair expenses, while other costs account for 3.02% (Figure 25). While these shares are comparatively smaller, they still reflect important aspects of vehicle maintenance and repair, including aesthetic considerations and minor incidental expenses.

In Australia, parts account for 53.36% of the total repair costs, while labor comprises 32.98% (Figure 27).

This distribution is consistent with patterns observed in North America and Europe, where parts represent a substantial portion of overall repair expenses. The relatively high share of labor costs also highlights the ongoing importance of skilled technicians in the Australian market. Paint and materials contribute 4.47%, while other costs account for 9.18%, reflecting the diverse range of expenses involved in vehicle maintenance and repair activities (Figure 27).

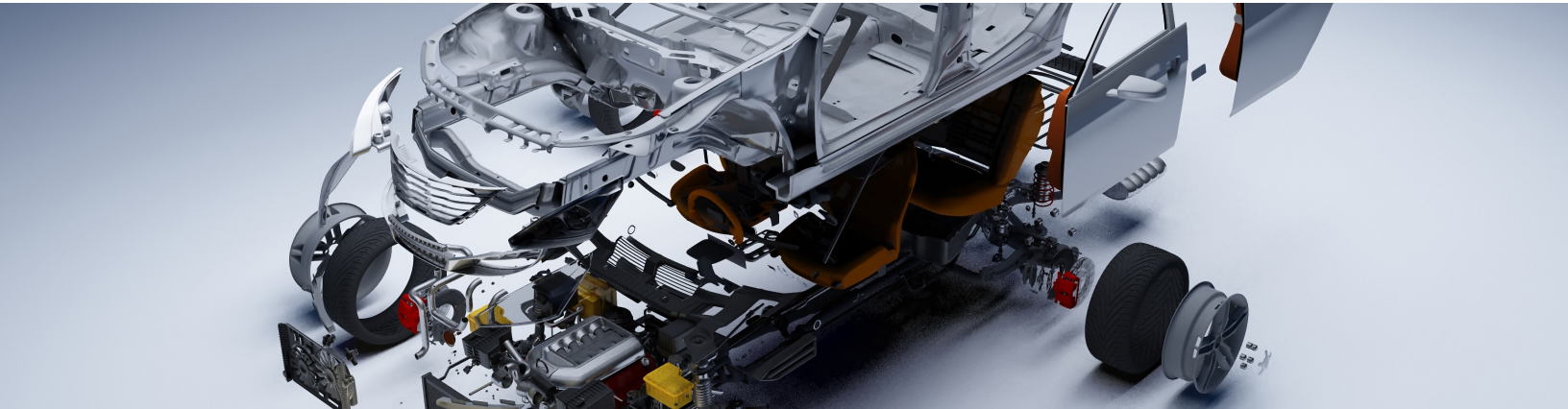
Figure 27
Regional Breakdown of 2025 Total Repair Cost by Cost Component – Passenger Car Only (Australia)



Source: Solera

Overall, the data illustrates a clear pattern in which parts and labor account for the majority of repair cost. This suggests that automotive stakeholders may benefit from maintaining a strategic focus on managing these components effectively. Understanding the relative contribution of each cost category can support efforts to optimize repair processes and enhance customer experience, as improved cost management in these areas may contribute to more competitive pricing and more consistent service outcomes.

Having examined the influence of labor costs on repair claims for passenger vehicles, the following section turns attention to another key component: part costs. These costs play an important role in shaping overall repair expenses and can vary across regions and market conditions.



From insights to action

Rising repair costs are no longer driven by a single factor. They reflect the combined impact of vehicle aging, technology complexity, labor constraints, and parts inflation—each interacting differently across markets. As cost structures evolve, managing repair performance increasingly benefits from structural, data-driven responses rather than incremental adjustments.

KEY ACTIONS TO CONSIDER INCLUDE:

Reframe Cost Management Around Structural Drivers: Stakeholders may benefit from moving beyond average claim cost metrics and focusing on the underlying drivers of severity, including vehicle age distribution, labor intensity, and parts dependency. Understanding how these factors interact at market and segment level can support improved cost predictability and financial control.

Differentiate Strategies by Vehicle Age and Technology Profile: Repair economics vary materially between newer, technology-dense vehicles and older, lower-complexity fleets. Adapting repair scope, parts strategies, and labor deployment by vehicle age and propulsion type can enable more economically viable outcomes across the portfolio.

Strengthen Labor and Capacity Planning Under Cost Pressure: As labor costs rise and skilled technician availability tightens, improving productivity and predictability becomes increasingly important. Investments in process standardization, diagnostic efficiency, and calibration readiness can help manage labor-driven cost pressure while maintaining repair quality.

Actively Manage Parts Exposure and Supply-Chain Risk: Parts remain the largest contributor to total claim cost in most markets. Expanding the use of alternative, recycled, and remanufactured parts—where appropriate—may help mitigate inflationary pressure, reduce cycle times, and improve cost resilience without compromising safety or quality.

Use Cost Distribution, Not Averages, to Guide Decisions: Cost variability is increasing alongside complexity. Monitoring cost distributions and outlier behavior can enable earlier identification of emerging risk, support more accurate reserving and pricing decisions, and improve operational responsiveness.

Align Customer Communication with Cost Reality: As repair costs and timelines become more variable, transparent communication around cost drivers, repair decisions, and trade-offs becomes increasingly important. Proactive expectation management can help preserve trust in an environment of rising repair exposure.

By aligning operational strategies with the structural realities reshaping repair economics, automotive ecosystem stakeholders may be better positioned to absorb cost pressure, improve predictability, and sustain performance as repair environments continue to evolve.



07

Looking Ahead: What's Next

Navigating What Comes Next

As the automotive industry faces a period of significant change, understanding the key trends that are expected to shape its future is increasingly important for stakeholders. The emergence of electric and autonomous vehicles, evolving legislation, and a heightened focus on sustainability present both challenges and opportunities. Each of these factors introduces new complexities that are likely to influence repair practices and labor requirements, while also creating avenues for innovation and growth. By recognizing the interaction between these dynamics, industry participants can better position themselves to adapt to an evolving landscape and remain responsive to changing market conditions over time.



From Challenges to Opportunities: The Next Chapter in Automotive Evolution

As the automotive industry approaches a period of significant transition, it is important to examine the key trends and factors that are expected to shape the future landscape. This chapter explores critical developments, including the emergence of electric and autonomous vehicles, upcoming legislation, green repair practices, circular economy models, and the vital partnerships with technology and data providers. Together, these elements are likely to influence repair complexities and labor requirements, while also presenting potential opportunities for operational improvement across the automotive ecosystem.

Emergence of Electric and Autonomous Vehicles

The increasing adoption of electric vehicles (EVs) and autonomous vehicles is expected to alter repair dynamics within the automotive sector. While EV and autonomous adoption continues to expand, ICE vehicles are expected to remain the majority of the global vehicle parc through the medium term, particularly in cost-sensitive and infrastructure-constrained markets. As EVs penetration grows, repair processes may become more complex, requiring specialized knowledge and skills among technicians. EVs, for example, involve distinct repair protocols due to their powertrains and battery systems. Similarly, autonomous vehicles incorporate advanced technology that can require higher level of technical expertise for maintenance and repair. These developments are likely to increase the need for targeted training programs and certifications to support repair readiness. Stakeholders that invest in workforce development may be better positioned as technical requirements continue to evolve.

Upcoming Legislation

The automotive market is also being influenced by evolving regulatory frameworks that may affect labor costs, vehicle standards, and repair practices. As governments continue efforts related to climate objectives and vehicle safety, new environmental regulations and safety standards are expected to emerge. These developments may require adjustments in operational practices, including the adoption of cleaner technologies and enhanced compliance processes. Understanding regulatory direction can help industry participants anticipate potential impacts on repair costs and competitive positioning.

Green Repair Practices

Alongside regulatory developments, sustainability continues to gain importance within the automotive industry. Eco-friendly repair practices and the use of sustainable materials are becoming more prominent components of repair operations. Consumers awareness of environmental considerations is increasing, contributing to demand for greener repair solutions. This shift may support brand perception while also creating opportunities to improve operational efficiency. By adopting sustainable practices, repair organizations can reduce waste and environmental impact, aligning more closely with evolving consumer expectations and regulatory considerations.

Circular Economy Models

As sustainability continues to gain prominence, the potential role for circular economy models within the automotive sector warrants consideration. Emphasizing the recycling and refurbishment of parts can influence labor demands and cost structures. By adopting circular practices, repair organizations may reduce reliance on new parts, helping to manage inventory costs while supporting a more sustainable approach to repair. This shift can also create new employment opportunities in areas such as remanufacturing and recycling, contributing to greater resilience within the automotive repair ecosystem. Stakeholders that embrace circular economy principles may not only support environmental objectives but also identify additional revenue opportunities aligned with growing demand for sustainable solutions.

Partnerships with Technology & Data Providers

As repair complexity, cost variability, and operational pressure increase, collaboration with technology and data providers is becoming an increasingly important enabler of performance across the automotive ecosystem. Advanced analytics and AI-driven capabilities are being applied to improve diagnostics, estimation accuracy, severity assessment, and repair decision support across markets.

By using artificial intelligence to process high-granularity claims, repair, and vehicle data, stakeholders can shift from reactive cost management toward more predictive, data-informed decision-making. AI-enabled solutions can support earlier identification of cost drivers, greater consistency in repair outcomes, and improved alignment between repair scope, vehicle age, and economic considerations.

Strategic partnerships that combine domain expertise with scalable AI and data platforms are likely to play a growing role in managing rising complexity, improving predictability, and translating market insight into operational improvements as repair environments continue to evolve.

New Metrics and Reports

As the industry continues to evolve, the development of new metrics and reporting frameworks will be important for understanding emerging automotive dynamics. Future analyses are expected to focus on key performance indicators that capture complexity related to parts, vehicle technology evolution, and labor requirements. As referenced throughout this report, vehicle complexity can be assessed over time to establish benchmarks that help compare repair requirements across vehicle models and production years. Sustainability is also expected to feature more prominently in future reporting, examining how the integration of recycled parts and environmentally conscious materials may influence repair costs and operational efficiency.

Conclusion

As developments continue across the automotive industry, the landscape is likely to be shaped by the combined influence of technological advancements, regulatory changes, and evolving consumer expectations. By understanding these dynamics, stakeholders can better navigate market complexity and respond to emerging opportunities. Progress toward a more innovative, sustainable, and data-driven automotive ecosystem is becoming increasingly important for organizations seeking to remain competitive as industry conditions continue to change.

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Methodology

The methodology for this study encompasses several key components designed to gather, analyze, and synthesize data effectively.

DATA SOURCE FOR FIGURES AND CHARTS

Unless otherwise stated, all charts, graphs, and quantitative visualizations presented in this report are derived from Solera's proprietary Global Data Lake, which aggregates harmonized claims and repair data across regions, vehicle types, and market segments.

Data Collection:

A multi-source approach was utilized to collect data on key industry-related factors. In addition to external sources such as industry reports, government publications, and market analyses from reputable organizations, this study is grounded in Solera's proprietary Global Data Lake. With more than 40 years of experience in the automotive ecosystem, Solera has built one of the most comprehensive automotive data assets globally. The Global Data Lake aggregates data from multiple payers and stakeholders across the vehicle lifecycle. These data are consolidated into a standardized, harmonized global repository, enabling consistent analysis across regions, vehicle types, and repair contexts. This integrated dataset supports robust, comparable insights by combining scale, historical depth, and geographic breadth, forming the foundation for the analytical findings presented in this report.

Comparative Analysis:

The study employed a comparative analysis framework to evaluate a wide range of industry variables across different countries, specifically focusing on the United States, Canada, Germany, Poland, Spain, the United Kingdom, Mexico and Australia. This approach allowed for the identification of trends, disparities, and key drivers unique to each market.

Statistical Tools:

Statistical tools and software were used to analyze the collected data, enabling the identification of patterns and correlations. Descriptive statistics were employed to summarize the data, while inferential statistics helped draw conclusions about the broader implications of the findings.

Validation and Verification:

To ensure the reliability of the findings, a validation process was conducted. This involved cross-referencing data from multiple sources and consulting with industry experts to verify the accuracy of the information. Peer reviews were also incorporated to reinforce the integrity of the study's results.

Limitations:

The study acknowledges certain limitations, including variations in data availability and potential biases in self-reported data from surveys. These factors were taken into consideration during the analysis, and efforts were made to minimize their impact on the overall findings.

Conclusions Drawn:

The methodology culminated in a comprehensive understanding of the automotive industry's current landscape, revealing key trends and influencing factors. The insights gained will serve as a foundation for strategic recommendations aimed at enhancing operational effectiveness and competitiveness in the market.

Data Dictionary

To ensure clarity and consistency throughout this report, the following Data Dictionary provides definitions for key metrics and terms used in our analysis. Understanding these foundational concepts is essential for accurately interpreting the insights and findings presented. The definitions below outline the scope and methodology applied to the data referenced in this study.

Claim: A claim refers to any request or notification made by a policyholder, insurance company, repairer, or assessor to initiate and process the repair of a vehicle or similar asset. This includes all claims related to damages, accidents, or incidents requiring repair work, regardless of which party submits the claim.

Total Cost: Total cost encompasses all expenses associated with processing and fulfilling an automotive insurance claim, including parts, labor, paint and materials, and any applicable taxes.

Labor Hours: Labor hours represent the total time, measured in hours, required by technicians to complete all repair operations on a vehicle as specified in the claim, including paint based on standardized data.

Vehicle Scope: Vehicle scope defines the range of vehicles included in the analysis, typically segmented by make, model, type (e.g., passenger cars, SUVs, light trucks), and region.

Repairability: Repairability is the ratio or proportion of vehicle parts or components that are repaired rather than replaced during the claim process. This metric highlights trends in repair practices and operational efficiency.

Parts Cost: Parts cost refers to the total monetary value of all replacement components included in the claim.

Vehicle Age at time of claim: Vehicle age at time of claim indicates the age of the vehicles involved in claims within the dataset, providing insight into fleet composition and potential repair complexity.



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